

# Idaho Economic Forecast

JAMES E. RISCH, Governor

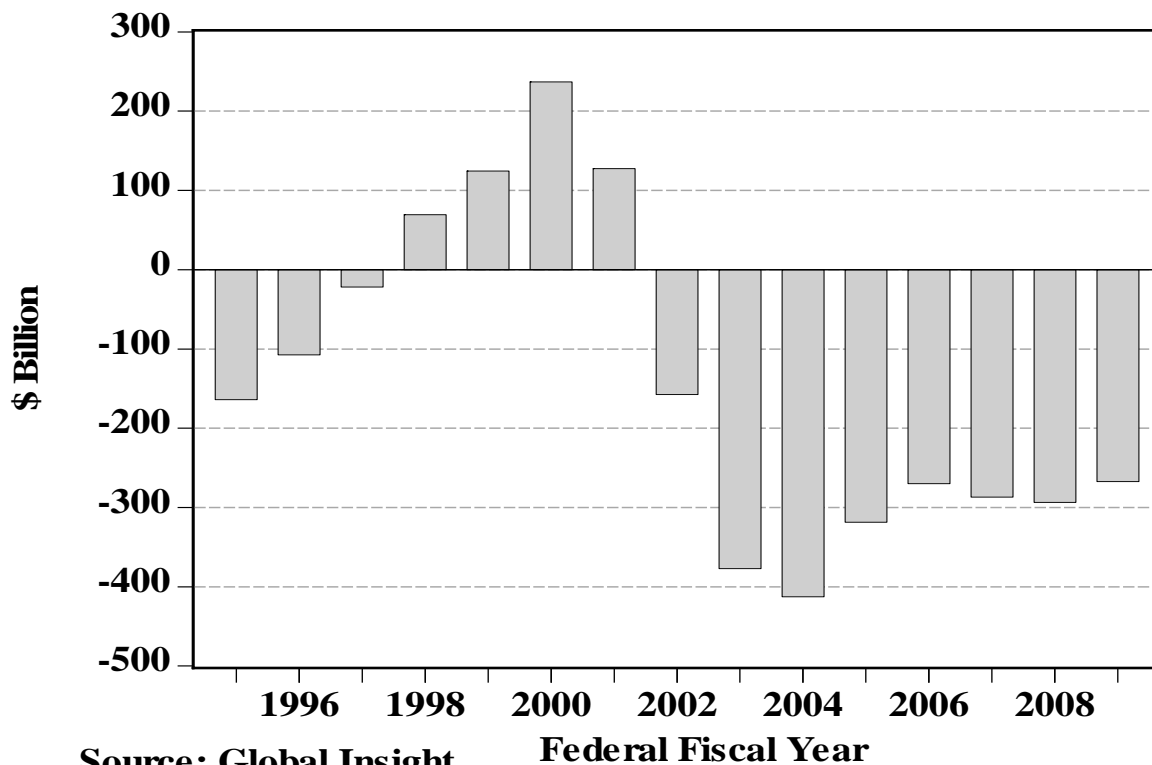
Division of Financial Management

Vol. XXVIII, No. 4  
October 2006

ISSN 8756-1840

- Forecast 2006-2009
- Oil Prices and the U.S. Trade Deficit
- Alternative Forecasts

## U.S. Federal Government Surplus Unified Basis



This page left blank intentionally.

**IDAHO  
ECONOMIC  
FORECAST  
2006 - 2009**

State of Idaho  
**JAMES E. RISCH**  
Governor

*Costs associated with this publication are available  
from the Division of Financial Management  
in accordance with Section 60-202, Idaho Code.*

06-10/385/010200-180-4001

## PREFACE

Idaho's economy continues to grow and evolve as it enters the 21<sup>st</sup> Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded in every year and has consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit card companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This continuing dependence on natural resources will bring a host of challenges to Idaho.

Other factors that are external to the state's economy will also present challenges to decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

### **Division of Financial Management**

700 W. Jefferson, Room 122

P.O. Box 83720

Boise, Idaho 83720-0032

### **Economic Analysis Bureau**

Michael H. Ferguson, Chief Economist

Derek E. Santos, Economist

(208) 334-3900

This page left blank intentionally.

## TABLE OF CONTENTS

Preface.....	iii
Introduction.....	2
Executive Summary .....	5
Idaho and U.S. Forecast Summary Tables.....	6
Forecast Description:	
National.....	8
Idaho .....	14
Forecasts Comparison.....	20
Alternative Forecasts .....	22
Feature Article	
Oil Prices and the U.S. Trade Deficit .....	25
Forecast Detail .....	29
Annual Forecast .....	30
Quarterly Forecast .....	44
Appendix.....	59
Global Insight U.S. Macroeconomic Model.....	60
Idaho Economic Model.....	62
Equations .....	64
Endogenous Variables .....	68
Exogenous Variables .....	70

## **INTRODUCTION**

The national forecast presented in this publication is the October 2006 Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the July 2006 Global Insight baseline national forecast.

As the cover chart shows, the nation's trade deficit soared over the last decade. The good news is the deficit is expected to stabilize. The bad news is that it will stabilize at a very high level. Ten years ago the national trade deficit was well below \$200 billion. It is estimated to be \$875 billion when the books are closed for 2006. Anyone expecting the deficit to fall quickly from this year's peak will be disappointed, as it is forecast to hover well above \$800 billion over the foreseeable future.

## **FEATURE**

The surge in oil prices has had impacts beyond the price at the pump. One concern about these higher import prices relates to their implications for the U.S. trade balance. The feature article, "Oil Prices and the U.S. Trade Deficit," explores the relation between the surge in oil prices and the trade deficit. It then examines how the U.S. trade deficit might evolve in response to higher oil prices. Finally, it considers a model that can help explain why, surprisingly, the volume of U.S. petroleum imports has remained essentially constant, despite the remarkable increase in their cost and what that implies for the trade deficit. This article was written by Michele Cavallo who is an economist with the Federal Reserve Bank of San Francisco.

## **THE FORECAST**

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. Global Insight examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1992 to 2009 and for every quarter from 2004 through 2009. The solution of the Idaho Economic Model (IEM) for this forecast begins with the third quarter of 2006.

Descriptions of the Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

## **CHANGES**

The historical employment data used in this forecast was provided by the Idaho Department of Commerce and Labor and was seasonally adjusted by the Idaho Division of Financial Management (DFM). The data consists of final employment estimates through the first quarter of 2006 and preliminary data for the following quarter. Idaho nonfarm employment grew at a 7.4% annual rate during the first quarter to 631,807 jobs. The growth paced cooled to a still healthy 2.8% in the second quarter of 2006, taking the number of jobs to 636,219.



The tables in this forecast include the U.S. Bureau of Economic Analysis' (BEA) September 2006 estimates of Idaho quarterly personal income through the second quarter of 2006. The BEA made significant revisions to this data back through 2003. Notably, Idaho farm proprietors' income was slashed over 50% (one-half billion dollars) in 2005. This change was more than offset by \$1.3 billion increase to dividends, interest, and rent income the same year. Contributions for social insurance were raised \$183 million in 2005, while other labor income was decreased \$164 million. The net impact of these and other changes was Idaho nominal personal income was \$306 million (0.8%) higher in 2005 than had been previously reported.

The stochastic equations in the Idaho Economic Model were reestimated to incorporate the personal income revisions and new employment data. The results of this exercise can be found in the appendix of this publication. The model is not due for another update until the spring or summer of 2007. The actual date depends on data availability.

The *Idaho Economic Forecast* is available on the Internet at [http://dfm.idaho.gov/Publications/Econ\\_Publications.html](http://dfm.idaho.gov/Publications/Econ_Publications.html). Readers with any questions should contact Derek Santos at (208) 854-3070 or at [dsantos@dfm.idaho.gov](mailto:dsantos@dfm.idaho.gov).

## SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at  
[http://dfm.idaho.gov/Publications/Econ\\_Publications.html](http://dfm.idaho.gov/Publications/Econ_Publications.html).

Printed copies of the *Idaho Economic Forecast* may be requested by contacting:

**Idaho Economic Forecast  
Division of Financial Management  
700 W. Jefferson, Room 122  
P.O. Box 83720  
Boise, Idaho 83720-0032**

**Or email to [info@dfm.idaho.gov](mailto:info@dfm.idaho.gov)**

Please provide the following information:

NAME	_____
ORGANIZATION	_____
MAILING ADDRESS	_____ _____ _____
CITY	_____
STATE	_____
ZIP CODE	_____

## EXECUTIVE SUMMARY

The current Idaho economic forecast is best described as a tweaked version of this July's forecast. That is, although some of the details are different, the general growth pattern is the same. Specifically, this summer it was predicted the Gem State would enjoy strong growth this year, thanks to a surge in the first half, and then expand more slowly. Another feature of the previous forecast was, despite the anticipated slowing, Idaho's economy would advance faster than the national economy. Little has changed since this summer, so the previous forecast summary aptly describes Idaho's current economic outlook. According to the most current estimates based on Idaho Department of Commerce and Labor information, the state's nonfarm employment surged at a 7.4% annual rate in the first quarter of 2006 and by 2.8% in the following quarter. The growth in a couple of sectors is noteworthy. Construction employment increased an astronomical 34.2% in the first quarter and by 9.1% in the second quarter of this year. The state's huge services sector also produced robust job gains of 5.2% in the first quarter and 3.3% in the second quarter. Idaho nominal personal income growth echoed the state's employment growth during this year's first half, growing 12.6% in the first quarter and 6.9% in the second quarter. The cooling national economy will cause both Idaho nonfarm employment and personal income growth to slow from their previous pace. Idaho nonfarm employment growth is expected to slip under 3.0% in this year's remaining two quarters. Despite this slowing, Idaho nonfarm employment is expected to be 4.3% higher in 2006 than it was in 2005, which is its best showing in a dozen years. Idaho nominal personal income growth should downshift to under 7.0% in the second half of 2006. However, on annual basis, it will be 8.3% higher than in 2005. Both Idaho employment and personal income growth will drop beneath their 2006 banner showings. However, both are expected to continue to out pace their respective national counterparts. First, Idaho nonfarm employment should increase an average of 2.5% annually from 2006 to 2009. Over this same period U.S. nonfarm employment is predicted to rise 1.4% per year. Second, nominal Idaho personal income is forecast to advance an average of 6.8% per year, while national personal income averages 5.7% growth. After adjusting for inflation, Idaho personal income increases 4.8% annually. National real personal income rises at an average 3.7% pace from 2006 to 2009.

The nation's economy is expected to slow from a gallop to a trot over the next few quarters. Two factors play major roles in this transition: the housing sector and energy prices. The cooling housing sector will take a toll on U.S. output. For example, the U.S. housing downturn chops 1.3 percentage points off of GDP in this year's third and fourth quarters, through its direct effect on construction. However, the negative impacts from housing will be dampened by falling energy prices. Fears of major supply disruptions have all but disappeared, which have sharply reduced the risk premium in the oil market. Falling crude oil prices and plentiful supply have trimmed gasoline pump prices to their lowest level in over six months. Natural gas prices have also eased, thanks to plentiful supplies. These declines are akin to tax cuts for consumers. For example, it has been estimated the recent drop in gasoline prices have saved Americans \$84 billion, or 0.9% of disposable income. With oil prices falling and inflation beginning to ease, the pressure on almost all central banks will diminish. In this forecast, it is assumed the Federal Reserve has finished raising interest rates. The bottom line is the U.S. economy is entering an extended period of below-trend growth (seven successive quarters of less than 3% growth). Although growth will slow, a recession is unlikely. After successfully negotiating a soft landing, the U.S. economy will once again grow above 3.0% annually in 2008.

**IDAHO ECONOMIC FORECAST  
EXECUTIVE SUMMARY  
OCTOBER 2006**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>GDP (BILLIONS)</b>												
Current \$	8,747	9,268	9,817	10,128	10,470	10,961	11,712	12,456	13,242	13,851	14,587	15,366
% Ch	5.3%	6.0%	5.9%	3.2%	3.4%	4.7%	6.9%	6.3%	6.3%	4.6%	5.3%	5.3%
2000 Chain-Weighted	9,067	9,470	9,817	9,891	10,049	10,301	10,704	11,049	11,412	11,681	12,066	12,468
% Ch	4.2%	4.4%	3.7%	0.8%	1.6%	2.5%	3.9%	3.2%	3.3%	2.4%	3.3%	3.3%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	27,287	29,068	31,290	33,054	33,849	34,687	38,090	40,584	43,949	46,995	50,053	53,592
% Ch	7.6%	6.5%	7.6%	5.6%	2.4%	2.5%	9.8%	6.5%	8.3%	6.9%	6.5%	7.1%
Idaho Nonfarm (Millions)	26,350	28,054	30,448	32,039	32,921	33,969	36,942	39,589	42,944	45,925	48,967	52,492
% Ch	7.1%	6.5%	8.5%	5.2%	2.8%	3.2%	8.8%	7.2%	8.5%	6.9%	6.6%	7.2%
U.S. (Billions)	7,423	7,802	8,430	8,724	8,882	9,164	9,731	10,239	10,966	11,547	12,197	12,934
% Ch	7.3%	5.1%	8.0%	3.5%	1.8%	3.2%	6.2%	5.2%	7.1%	5.3%	5.6%	6.0%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	28,429	29,788	31,289	32,376	32,690	32,847	35,143	36,397	38,359	40,248	42,044	44,208
% Ch	6.6%	4.8%	5.0%	3.5%	1.0%	0.5%	7.0%	3.6%	5.4%	4.9%	4.5%	5.1%
Idaho Nonfarm (Millions)	27,452	28,748	30,447	31,382	31,795	32,167	34,083	35,504	37,482	39,331	41,131	43,300
% Ch	6.1%	4.7%	5.9%	3.1%	1.3%	1.2%	6.0%	4.2%	5.6%	4.9%	4.6%	5.3%
U.S. (Billions)	7,734	7,996	8,429	8,545	8,578	8,678	8,979	9,183	9,571	9,890	10,245	10,670
% Ch	6.4%	3.4%	5.4%	1.4%	0.4%	1.2%	3.5%	2.3%	4.2%	3.3%	3.6%	4.1%
<b>HOUSING STARTS</b>												
Idaho	10,105	10,334	11,468	12,182	13,196	16,298	18,482	23,161	21,818	21,200	20,735	20,629
% Ch	14.0%	2.3%	11.0%	6.2%	8.3%	23.5%	13.4%	25.3%	-5.8%	-2.8%	-2.2%	-0.5%
U.S. (Millions)	1.621	1.647	1.573	1.601	1.710	1.854	1.950	2.073	1.828	1.594	1.669	1.704
% Ch	9.9%	1.6%	-4.5%	1.8%	6.8%	8.4%	5.2%	6.3%	-11.8%	-12.8%	4.7%	2.1%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	520,477	538,099	558,579	568,030	568,038	572,529	588,040	611,693	637,854	654,594	670,316	687,511
% Ch	2.6%	3.4%	3.8%	1.7%	0.0%	0.8%	2.7%	4.0%	4.3%	2.6%	2.4%	2.6%
U.S. (Thousands)	125,924	128,992	131,792	131,832	130,342	129,993	131,424	133,459	135,300	136,729	138,700	140,856
% Ch	2.6%	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.5%	1.4%	1.1%	1.4%	1.6%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	5.4%	5.0%	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	5.0%	4.8%	4.5%	4.7%
Bank Prime	8.4%	8.0%	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%	8.0%	7.8%	7.5%	7.7%
Existing Home Mortgage	7.1%	7.3%	8.0%	7.0%	6.5%	5.7%	5.7%	5.9%	6.6%	6.5%	6.7%	7.0%
<b>INFLATION</b>												
GDP Price Deflator	1.1%	1.4%	2.2%	2.4%	1.7%	2.1%	2.8%	3.0%	2.9%	2.2%	2.0%	1.9%
Personal Cons Deflator	0.9%	1.7%	2.5%	2.1%	1.4%	2.0%	2.6%	2.9%	2.8%	1.9%	2.0%	1.8%
Consumer Price Index	1.5%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.3%	2.2%	2.0%	1.8%

**National Variables Forecast by GLOBAL INSIGHT  
Forecast Begins the THIRD Quarter of 2006**

**IDAHO ECONOMIC FORECAST  
EXECUTIVE SUMMARY  
OCTOBER 2006**

	2006				2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GDP (BILLIONS)</b>												
Current \$	13,008	13,197	13,317	13,447	13,622	13,775	13,926	14,081	14,282	14,487	14,694	14,885
% Ch	9.0%	5.9%	3.7%	4.0%	5.3%	4.6%	4.5%	4.5%	5.8%	5.9%	5.9%	5.3%
2000 Chain-Weighted	11,316	11,388	11,435	11,509	11,574	11,641	11,716	11,793	11,899	12,011	12,126	12,230
% Ch	5.6%	2.6%	1.7%	2.6%	2.3%	2.4%	2.6%	2.7%	3.6%	3.8%	3.9%	3.5%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	42,861	43,587	44,322	45,026	45,864	46,654	47,381	48,082	48,838	49,677	50,448	51,251
% Ch	12.6%	6.9%	6.9%	6.5%	7.7%	7.1%	6.4%	6.1%	6.4%	7.1%	6.4%	6.5%
Idaho Nonfarm (Millions)	41,893	42,671	43,272	43,940	44,792	45,574	46,290	47,043	47,774	48,577	49,340	50,176
% Ch	12.6%	7.6%	5.8%	6.3%	8.0%	7.2%	6.4%	6.7%	6.4%	6.9%	6.4%	7.0%
U.S. (Billions)	10,721	10,901	11,058	11,185	11,343	11,479	11,613	11,754	11,923	12,108	12,288	12,470
% Ch	9.4%	6.9%	5.9%	4.7%	5.8%	4.9%	4.8%	4.9%	5.9%	6.3%	6.1%	6.1%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	37,781	38,043	38,471	39,140	39,586	40,063	40,469	40,872	41,304	41,823	42,279	42,769
% Ch	10.3%	2.8%	4.6%	7.1%	4.6%	4.9%	4.1%	4.0%	4.3%	5.1%	4.4%	4.7%
Idaho Nonfarm (Millions)	36,928	37,244	37,559	38,196	38,661	39,136	39,538	39,988	40,404	40,898	41,351	41,872
% Ch	10.4%	3.5%	3.4%	7.0%	5.0%	5.0%	4.2%	4.6%	4.2%	5.0%	4.5%	5.1%
U.S. (Billions)	9,451	9,514	9,598	9,723	9,790	9,857	9,919	9,991	10,084	10,194	10,298	10,406
% Ch	7.2%	2.7%	3.6%	5.3%	2.8%	2.8%	2.5%	2.9%	3.8%	4.4%	4.2%	4.3%
<b>HOUSING STARTS</b>												
Idaho	23,068	21,515	21,225	21,466	21,312	21,350	21,159	20,981	20,916	20,746	20,664	20,614
% Ch	17.0%	-24.3%	-5.3%	4.6%	-2.8%	0.7%	-3.5%	-3.3%	-1.2%	-3.2%	-1.6%	-1.0%
U.S. (Millions)	2.123	1.873	1.697	1.621	1.604	1.579	1.574	1.620	1.637	1.663	1.685	1.691
% Ch	12.9%	-39.5%	-32.5%	-16.7%	-4.3%	-5.9%	-1.4%	12.4%	4.2%	6.4%	5.3%	1.5%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	631,807	636,219	639,735	643,655	648,128	652,570	656,735	660,945	664,617	668,391	672,155	676,101
% Ch	7.4%	2.8%	2.2%	2.5%	2.8%	2.8%	2.6%	2.6%	2.2%	2.3%	2.3%	2.4%
U.S. (Thousands)	134,722	135,128	135,501	135,848	136,162	136,529	136,893	137,331	137,814	138,379	139,005	139,603
% Ch	1.7%	1.2%	1.1%	1.0%	0.9%	1.1%	1.1%	1.3%	1.4%	1.6%	1.8%	1.7%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	4.5%	4.9%	5.2%	5.3%	5.2%	5.0%	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%
Bank Prime	7.4%	7.9%	8.3%	8.3%	8.2%	8.0%	7.6%	7.5%	7.5%	7.5%	7.5%	7.5%
Existing Home Mortgage	6.4%	6.6%	6.8%	6.6%	6.6%	6.4%	6.4%	6.4%	6.5%	6.6%	6.7%	6.8%
<b>INFLATION</b>												
GDP Price Deflator	3.3%	3.3%	1.9%	1.3%	2.9%	2.2%	1.8%	1.8%	2.1%	2.0%	1.9%	1.8%
Personal Cons Deflator	2.0%	4.0%	2.2%	-0.6%	2.9%	2.1%	2.2%	1.9%	2.0%	1.8%	1.8%	1.7%
Consumer Price Index	2.2%	5.0%	2.8%	-1.3%	3.7%	2.3%	2.4%	2.1%	2.1%	1.7%	1.8%	1.7%

**National Variables Forecast by GLOBAL INSIGHT  
Forecast Begins the THIRD Quarter of 2006**

## NATIONAL FORECAST DESCRIPTION

### **The Forecast Period is the Third Quarter of 2006 through the Fourth Quarter of 2009**

The nation's economy is expected to slow from a gallop to a trot over the next few quarters. Two factors play major roles in this transition: the housing sector and energy prices. The cooling housing sector will take a toll on U.S. output. However, the negative impacts from housing will be dampened by falling energy prices. The bottom line is the U.S. economy is entering an extended period of below-trend growth (seven successive quarters of less than 3% growth). Although growth will slow, a recession is unlikely. After successfully negotiating a soft landing, the U.S. economy will once again grow above 3.0% annually in 2008.

The U.S. housing downturn chops 1.3 percentage points off of GDP in this year's third and fourth quarters, through its direct effect on construction. In many parts of the country rising home prices and interest rates have made home purchases unaffordable to average income households. As a result, inventories of unsold homes have swelled. This rising tide of unsold homes has brought a sharp response from builders, whose confidence has dropped to its lowest level in 15 years. This suggests building activity will fall as builders try to get control of inventories. Housing starts are expected to drop 12% this year and 13% in 2007. The forecast also assumes the softer housing market will cause national home prices to decline 1.5% in 2007. But the negative impacts of the cooling housing markets will affect more than housing starts and home prices. Consumer spending will also suffer because lower levels of home sales mean spending on items like carpets and furnishings will diminish.

Retreating energy prices will soften the blow of the retreating housing market. Fears of major supply disruptions have all but disappeared, which have sharply reduced the risk premium in the oil market. Oil prices shot toward \$80 per barrel this summer on geopolitical fears and the looming hurricane season. With the war over and situation in Iran calm, and no repeat (so far) of last year's catastrophic storms, oil prices have eased this fall. The spot price of West Texas Intermediate (WTI) crude plunged 12.6% in September to average \$63.87 per barrel, which was down \$9.18 from August. The WTI dipped below \$60 per barrel in early October. Falling crude oil prices and plentiful supply have trimmed gasoline pump prices to their lowest level in over six months. Natural gas prices have also eased, thanks to plentiful supplies. These declines are akin to tax cuts for consumers. For example, it has been estimated the recent drop in gasoline prices have saved Americans \$84 billion, or 0.9% of disposable income.

With oil prices falling and inflation beginning to ease, the pressure on almost all central banks will diminish. In this forecast, it is assumed the Federal Reserve has finished raising interest rates. The nation's central bank will hold its federal funds rate at 5.25% for an extended period of time and then make three rate cuts next year. In addition, other central banks should also adopt less restrictive monetary policies. These policies are in sync with many industrial countries' fiscal policies. The good news is both the U.S. and global economies seem better equipped to withstand shocks compared to a few decades ago. This increased resilience has also been accompanied by shallower downturns and longer expansions. Thus, this improves the odds of a soft landing.

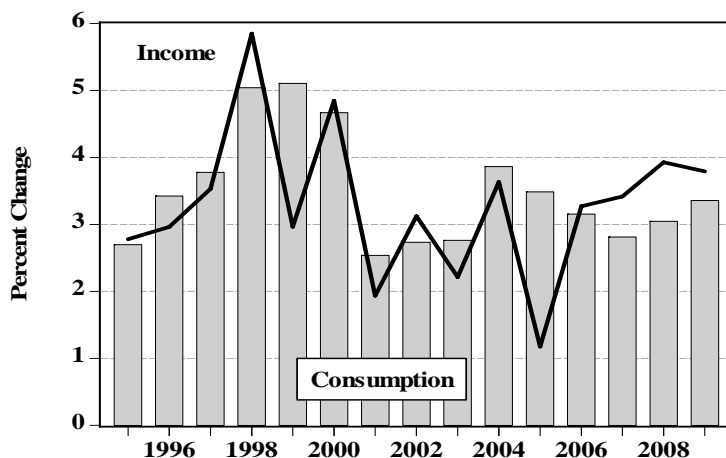
## SELECTED NATIONAL ECONOMIC INDICATORS

**Consumer Spending:** American consumers are expected to rediscover thrift and live within their means over the forecast period. This change marks a reversal from recent years when climbing home values raised U.S. households' net worth which caused consumers to spend with relative abandon. As a result, real consumer spending grew faster than real disposable income in 2003, 2004, and 2005. This spending spree was financed by debt and reduced savings, both of which are the result of rising housing values. While the average sales price for existing homes grew 6.6% per year from 1995 to 2005, it accelerated to 8.5% per year from 2002 to 2005. This rising home equity not only gave homeowners the confidence to spend money faster than

their income grew, but it also provided the funds. Many Americans tapped into the increased equity in their homes to expand spending faster than their income growth. This financing option was made even more attractive by relatively low interest rates and aggressive bank lending practices. As a result, household monthly financial obligations grew to 18.5% of disposable income—its highest level in the history of this series that began in 1980. Not only were consumers taking on more debt, they were saving less. Like the soaring stock market earlier this decade, rising house prices seemed to assume putting money in the bank was unnecessary. As a result, the U.S. personal savings rate dipped below zero in the second quarter of 2005 and has remained negative. The twin strategies of taking on more debt and ignoring savings to fuel spending is not likely to work in the future. Existing home prices are predicted to decline this year and grow slowly thereafter, removing an important source of funds. In addition, the cooling housing market should douse any kindling embers of continued runaway spending. Debt-leveraged spending will be further dampened by more restrictive lending practices. The lack of savings will also limit future spending. Not all the spending news is bad. Falling energy prices will help limit the spending decline. These factors suggest real consumer spending will slow to a pace more in line with income growth. Specifically, real disposable income is forecast to increase 3.3% in 2006, 3.4% in 2007, 3.9% in 2008, and 3.8% in 2009. In comparison, real consumer spending is forecast to rise 3.2% in 2006, 2.8% in 2007, 3.0% in 2008, and 3.4% in 2009.

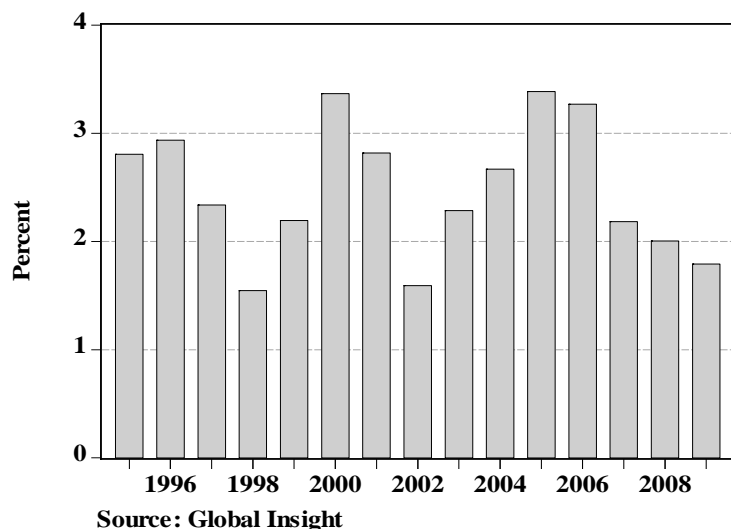
**Inflation:** Falling energy prices have helped quell inflation fears. Oil prices shot toward \$80 per barrel this summer on fears caused by the war between Israel and Hezbollah, the nuclear ambitions of Iran, the looming U.S. hurricane season, and supply problems in Venezuela and Nigeria. With the war over and situation in Iran calm, and no repeat (so far) of last year's catastrophic storms, oil prices have eased this fall. The spot price of West Texas Intermediate (WTI) crude plunged 12.6% in September to average \$63.87 per barrel, which was down \$9.18 from August. The WTI dipped below \$60 per barrel in early October. Falling crude oil prices and plentiful supply have trimmed gasoline pump prices to their lowest level in over six months. Natural gas prices have also eased. The September Henry Hub spot price averaged \$4.90 per million Btu, falling below \$5.00 per Btu for the first time since November 2003. The lower price reflects abundant natural gas supplies going into the heating season. In fact, natural gas in storage set a record in early October and was headed to the maximum storage capacity. While inflation risks associated with energy prices have ebbed, another wildcard remains: labor costs. Given the current

### U.S. Real Consumption and Disposable Income Growth



Source: Global Insight

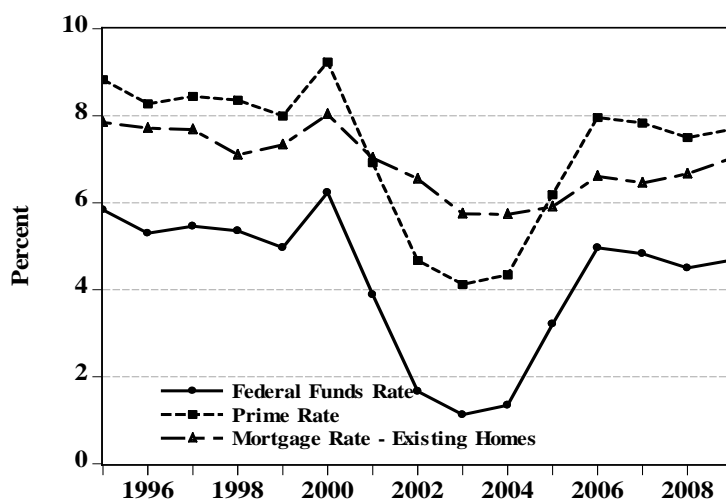
## Consumer Price Inflation



tight labor market, economists have been on the lookout for rising labor costs. The recent upward revisions to hourly nonfarm business compensation have caught their attention. This measure soared by 9.0% in this year's first quarter and 4.9% in the following quarter. However, this surge does not portend elevated compensation because it probably reflects stock option payouts that are not part of firms' fundamental cost structures. However, if these labor cost increases persist, they are warnings that inflation could rise faster than has been forecast. The consumer price index should rise slowly over the next few years. After increasing 3.3% this year, it will rise 2.2% next year, 2.0% in 2008, and 1.8% in 2009.

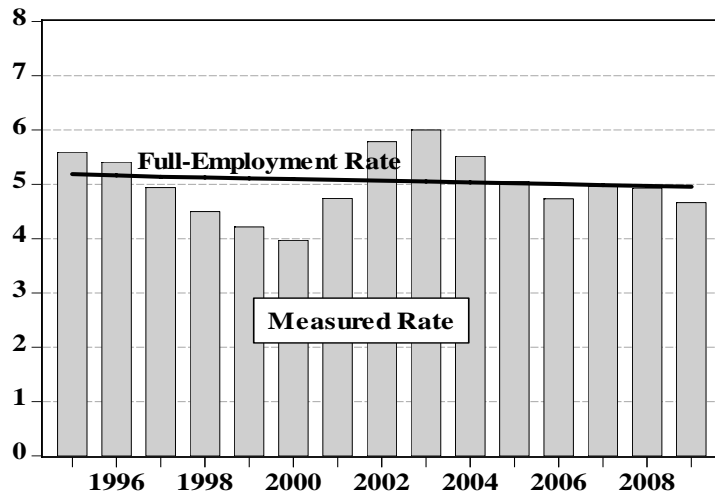
**Financial Markets:** Financial markets are responding to the sharp energy price declines. For example, the pricing of long-term inflation expectations and uncertainties has dropped sharply. The significantly reduced expectations for growth, inflation, and short-term interest rates have pushed Treasury bond yields down over the past four months. The 10-year Treasury yield declined from about 5.1% in early June 2006 to 4.7% in the first week of October. Mortgage interest rates and corporate bond yields have also declined. The combination of lower growth and inflation helped the Federal Reserve avoid an unpleasant bout of déjà vu. The nation's central bank watched inflation heat up this summer as the economy was cooling down. Former Federal Reserve Chairman Paul Volcker confronted similar conditions nearly three decades ago. During his watch, the Federal Reserve tightened its policy in order to break stagflation's back. His plan was successful, but caused a recession. Current Federal Reserve Chairman Ben Bernanke is no doubt hoping for a softer landing. To this end, the Federal Reserve has wagered on a wait-and-see policy. So far this bet is paying off. The recent drop in oil prices have taken away some of the fuel from the inflation fire. As a result, the Federal Reserve chose not to raise its federal funds rate during its October 24, 2006 meeting. This forecast assumes the Federal Reserve will continue its current policy through the rest of 2006. During 2007 the central bank is expected to reduce the federal funds rate by 25 basis points on March 21, June 28, and August 7. As a result, the federal funds rate should drop to 4.5% by mid-August 2007. This bellwether interest rate should remain at 4.5% through 2008 then gradually rise in 2009.

## Selected U.S. Interest Rates





## U.S. Civilian Unemployment Rate



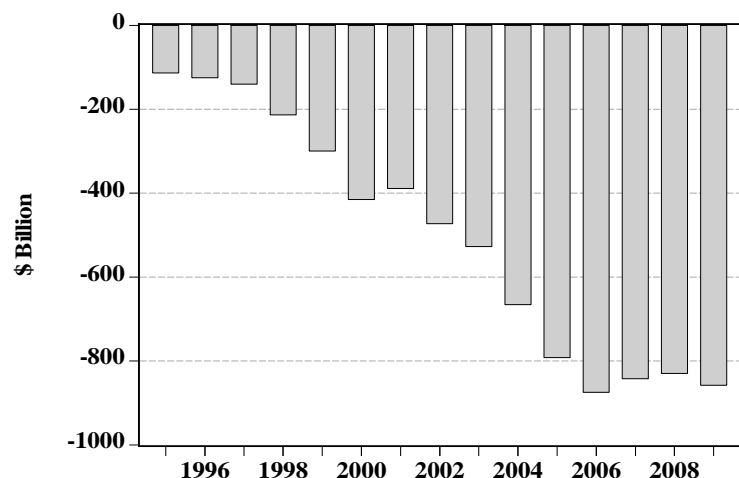
Source: Global Insight

**Employment:** National nonfarm employment increased by a disappointing 51,000 jobs in September, which was its weakest non-hurricane month showing since July 2004. Many industries experienced sub-par performances. Retailing lost jobs, as did manufacturing. However, not all of the labor market news was bad. In September, the U.S. unemployment rate dipped to 4.6% on solid household employment gains of 271,000. The labor market appears to be sending mixed signals. Namely, how can the unemployment rate be so low despite the recent meager job growth? The most persuasive explanation is the official job counts are underestimating actual activity. A

couple of facts support this argument. First, the federal government has revised its July 2006 and August 2006 estimates upwards by 62,000 jobs. Second, and more important, the U.S. Department of Labor recently reported it undercounted nonfarm job gains from March 2005 to March 2006 by (0.6%), or about 810,000 jobs. This revision was three times larger than the 0.2% average revision during the past ten years. One possible source of the undercount is new company formations that are notoriously hard to estimate. It needs to be pointed out that if payroll employment after March 2006 is raised, recent performances would look less mediocre, but still soft compared to previous gains. Nonfarm employment is expected to slow through 2007 then accelerate during 2008 and 2009. Specifically, U.S. nonfarm payroll should advance 1.4% in 2006, 1.1% in 2007, 1.4% in 2008, and 1.6% in 2009. During this period the U.S. civilian unemployment rate should fall in the 4.7% to 5.0% range, which is close to the full-employment level.

**International:** The U.S. economy is shifting into lower gear, and will take most of the global economy with it. The global economic cooling should not come as a surprise since the U.S. economy has been the engine of world economic growth over the last few years. The 2006 economic growth rates of important U.S. trade partners—Canada, Japan, Mexico, and Europe—should drop below their respective 2005 paces. Europe is expected to experience the most noticeable slowdown. Thanks to the anticipated tightening by European Central Bank, Eurozone economic growth will slip from this year's 2.5% pace to 1.7% next year. Not even China will be immune from the global economic cooling. Its real output is predicted to “slow” from 10.6% in 2006 to 9.0% in 2007. The nation's trade deficit will improve slowly over the next few years. The U.S. current account deficit set a new record in August 2006 of \$69.6 billion, which was up from the old record of \$68.0 billion set in July. Both exports and

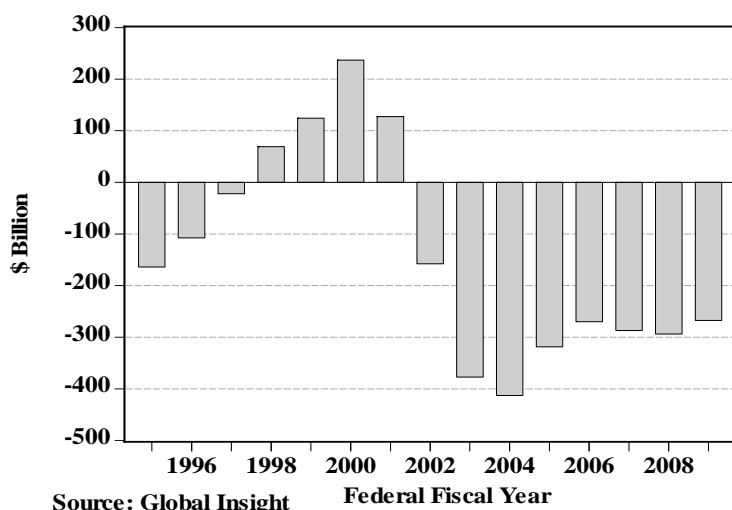
## U.S. Trade Deficit



Source: Global Insight

imports rose in August, with import growth the stronger of the two. Oil accounted for almost half the increased deficit, with oil imports rising thanks to higher prices and volumes. Oil prices will swing the monthly trade picture over the next few months. The rise of oil prices pushed the trade deficit higher in August, but the price plunge in September should help narrow the trade gap in the future. The bad news is, even with the recent drop in oil prices, this year's trade deficit will be larger than in 2005. The good news is the trade deficit should begin to improve after this year, thanks to falling oil prices and revived U.S. exports. Specifically, the nominal current account balance will drop from \$874.6 billion this year to \$857.9 billion in 2009. Adjusted for inflation, the deficit shrinks from \$625.8 billion in 2006 to \$555.5 billion in 2009.

### U.S. Federal Government Surplus Unified Basis

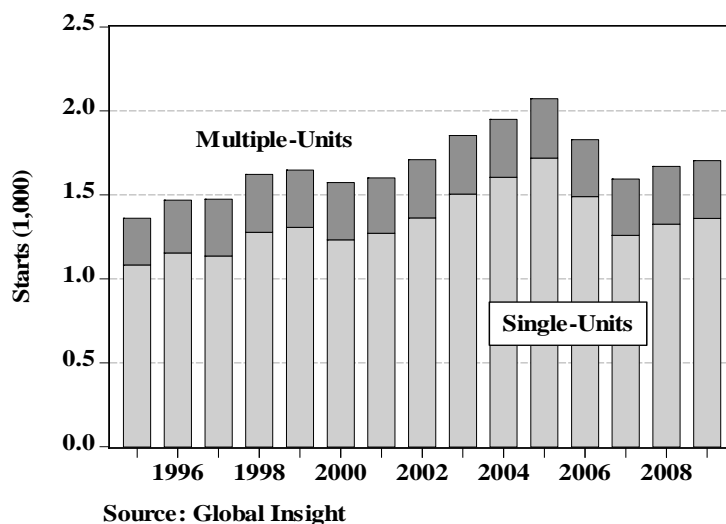


**Government:** Fiscal year 2006 turned out to be better than expected for federal finances. The federal budget deficit was \$248 billion, down by \$71 billion from \$319 billion the previous year. The deficit was significantly below the White House's January 2006 projection of \$423 billion. The decline in the federal deficit was due primarily to strong economic growth. Nominal GDP grew 6.5% in fiscal year 2006. As a result, individual income taxes jumped 12.6% and corporate income taxes soared 27.2%. Total federal tax receipts increased 11.8%, while outlays rose just 7.4%. Nominal economic growth is expected to slow to about 5% in fiscal year 2007. Therefore, federal government revenue growth should

slow to about 6%. However, government outlays are expected to rise faster. The unchecked spending will put upward pressure on the deficit, causing it to rise to \$287 billion in federal fiscal year 2007 and \$294 billion in federal fiscal year 2008. While mild upward pressure on the deficit is not egregious, the persistent underlying structural deficit could become a burden if the economy slows down faster than had been anticipated.

**Housing:** The U.S. housing forecast decline is steeper than had been previously believed. The U.S. housing industry continued its slide this summer from its recent dizzying heights. Housing starts fell 6.0% and permits fell 2.3% in August 2006. Existing home sales slipped 0.5% in August, continuing a downward trend that started at the end-of-summer 2005. Year-on-year existing house prices fell in August for the first time since 1995. Faced with these facts and record-high new and used home inventories, it is no wonder builders' confidence was at a 15-year low this summer. As a result of the weaker-than-anticipated housing industry, the forecast for U.S. housing

### U.S. Housing Starts



starts have been lowered. National housing starts were reported to fall 7.0% in 2006, 8.9% in 2007, and remain flat at about 1.75 million units thereafter in the July 2006 *Idaho Economic Forecast*. It is now predicted to decline 11.8% in 2006, 12.8% in 2007, increase 4.7% in 2008, and gain another 2.1% in 2009. Despite the late rally, U.S. housing starts will average 1.66 million units, down about 100,000 compared to the previous forecast. The softer housing starts exact a toll on U.S. construction employment, which is expected to have about 150,000 fewer jobs in 2009 than in the previous forecast. Residential construction spending declines at double-digit rates during this year's second half. This decline chops 1.3 percentage points of GDP growth in this year's third and fourth quarters and 0.8 percentage points off GDP in 2007.

## **IDAHO FORECAST DESCRIPTION**

### **The Forecast Period is the Third Quarter of 2006 through the Fourth Quarter of 2009**

The current Idaho economic forecast is best described as a tweaked version of this July's forecast. That is, although some of the details are different, the general growth pattern is the same. Specifically, this summer it was predicted the Gem State would enjoy strong growth this year, thanks to a surge in the first half, and then expand more slowly. Another feature of the previous forecast was, despite the anticipated slowing, Idaho's economy would advance faster than the national economy. Little has changed since this summer, so the previous forecast summary aptly describes Idaho's current economic outlook.

As was mentioned above, it was anticipated the state's economy would grow briskly in the first half of this year. Proof of this strong showing can be seen in both the nonfarm and personal income data. According to the most current estimates based on Idaho Department of Commerce and Labor information, the state's nonfarm employment surged at a 7.4% annual rate in the first quarter of 2006 and by 2.8% in the following quarter. The growth in a couple of sectors is noteworthy. One is at a loss to find sufficient superlatives to describe the state's housing industry. Construction employment increased an astronomical 34.2% in the first quarter and by 9.1% in the second quarter of this year. The state's huge services sector also produced robust job gains of 5.2% in the first quarter and 3.3% in the second quarter.

Idaho nominal personal income growth echoed the state's employment growth during this year's first half, growing 12.6% in the first quarter and 6.9% in the second quarter. This measure's performance reflected the strong showing of most of its components. Wages and salary payments surged at a 17.4% annual pace in the first quarter and by 8.6% in the second quarter, the result of strong job growth and healthy wage gains. The latter factor probably benefited from bonus payments to employees. Other income categories that soared in the first quarter were nonfarm proprietors' income (8.7%), other labor income (12.0%), and government transfers to individuals (13.9%). In addition, dividends, rent, and interest income rose 9.4% in this year's second quarter.

The cooling national economy will cause both Idaho nonfarm employment and personal income growth to slow from their previous pace. Idaho nonfarm employment growth is expected to slip under 3.0% in this year's remaining two quarters. Despite this slowing, Idaho nonfarm employment is expected to be 4.3% higher in 2006 than it was in 2005, which is its best showing in a dozen years. Idaho nominal personal income growth should downshift to under 7.0% in the second half of 2006. However, on annual basis, it will be 8.3% higher than in 2005.

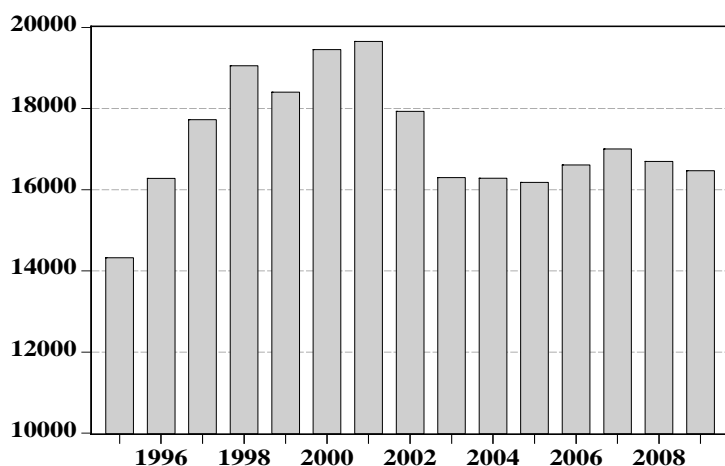
Both Idaho employment and personal income growth will drop beneath their 2006 banner showings. However, both are expected to continue to out pace their respective national counterparts. First, Idaho nonfarm employment should increase an average of 2.5% annually from 2006 to 2009. Over this same period U.S. nonfarm employment is predicted to rise 1.4% per year. Second, nominal Idaho personal income is forecast to advance an average of 6.8% per year, while national personal income averages 5.7% growth. After adjusting for inflation, Idaho personal income increases 4.8% annually. National real personal income rises at an average 3.7% pace from 2006 to 2009.

## SELECTED IDAHO ECONOMIC INDICATORS

**Computer and Electronics:** After suffering significant employment losses at the beginning of this decade, Idaho's computer and electronics manufacturing should remain relatively stable over the next few years. This sector's payroll peaked at 19,656 jobs in 2001 after several years of spectacular growth. However, this sector's expansion ended abruptly when the nation's high-tech bubble imploded. Jabil Circuit, a relatively new arrival on the Gem State's high-tech scene, halted a planned expansion and eventually closed its doors after customer orders evaporated. In 2001, MicronPC.com, SCP Global Technologies, Micron MCMS, AMI,

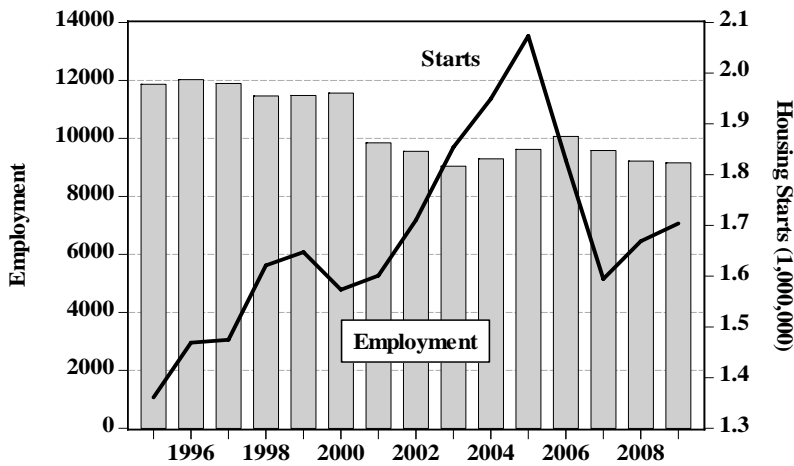
and Hewlett-Packard reduced their staffs. Unfortunately, another round of layoffs in 2002 caused employment to plunge 8.8%. One notable exception to the early rounds of layoffs was Micron Technology. However, the state's largest employer eventually succumbed to the high-tech downturn and reduced its Idaho workforce by about 1,000 in early 2003, and the state's computer electronics sector's employment base shrank another 9.1% in 2003. After the dust settled from these back-to-back declines, there were about 3,400 fewer jobs in this sector compared to 2001. Although this sector has stopped hemorrhaging jobs, its recovery has been tenuous, with employment virtually unchanged in 2004 and 2005. This year marks a turning point, with employment expected to increase 2.6%. Part of this increase is the result of a reclassification that moved jobs to the computer and electronics sector from the wholesale trade sector in the first quarter of 2006. This sector's employment is predicted to continue expanding during the first half of next year, as the output of computer and electronics products expands at a healthy clip. As a result, employment should increase 2.4% to about 17,000 jobs in 2007. This will be the sector's high-water mark over the next few years, as employment is forecast to slide to about 16,500 by 2009. Admittedly, this sector's future job gains pale in comparison to its showing in the 1990s. However, it is a welcome change from the losses that pummeled this sector earlier this decade.

**Idaho Computer and Electronic Products  
Employment**



**Logging and Wood Products:** Idaho's lumber and wood products employment may be enjoying a banner year, but cyclical and structural factors promise to make the future challenging for this cornerstone industry. Current data show this sector's employment climbed above 10,000 jobs in the first half of 2006 for the first time since the beginning of 2001. The logging and wood products recent employment run up was fueled by the nation's red-hot housing sector that soared from 1.6 million housing starts in 2001 to nearly 2.1 million starts in 2005, an amazing 6.7% annual pace. Unfortunately, this strong growth is not sustainable, and, indeed, the U.S. market is already displaying signs of cooling (please see the *Housing* section of the National Forecast Description). Another sign the housing sector has passed its peak is the decline in wood product prices this fall. According to *Random Lengths Yardstick*, the September 2006 composite price for framing lumber was down 26% from a year ago and the structural panel composite price was off nearly 45% over the same period. National housing starts are expected to decline further both this year and next year. This situation does not bode well for the local lumber and wood products producers, many of whom witnessed wrenching job losses earlier in the decade. Unfortunately, the weakening demand for lumber and wood will reinforce several ongoing

### Idaho Wood Product Employment and U.S. Housing Starts

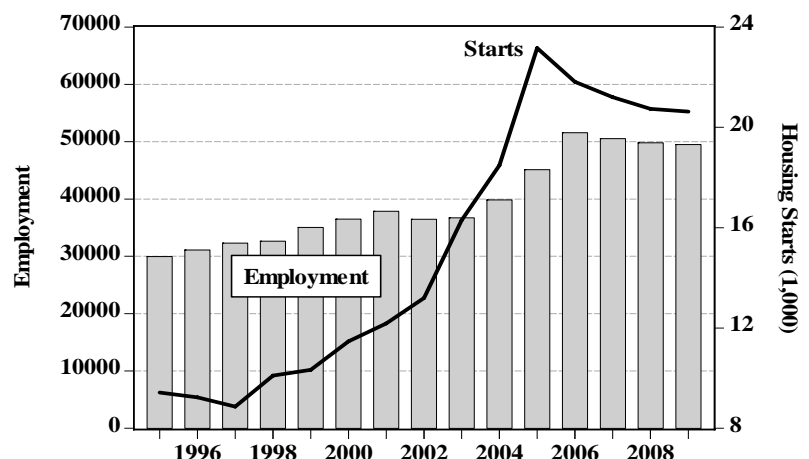


structural changes that hurt employment opportunities. In recent years many Idaho lumber and wood businesses revamped their operations to remain competitive. These moves resulted in huge productivity gains that kept operations afloat during the industry's rough patches. According to U.S. Forest Service data, output per Idaho logging and wood products worker rose from 172,000 board feet of lumber in 1993 to about 215,000 board feet in 2003. Laborsaving innovations are expected to be an important part of this sector if it is to remain competitive. Ironically, this huge productivity gain reduced the

need for workers. Strong markets in the 1990s led to heavy capital investment in this sector. As a result, it is estimated the industry can produce 20% to 25% more lumber than is being consumed in North America. The biggest challenge Idaho's lumber and wood products sector faces is the dwindling supply of timber from public forests. The U.S. Forest Service estimates the harvest from Idaho national forests fell from 586.2 million board feet in 1993 to 123.2 million board feet in 2003, a decline of nearly 80%. Idaho logging and wood products employment is forecast to shrink from 10,068 this year to 9,160 in 2009.

**Construction:** Construction has been a major force keeping the Idaho economy moving forward. This sector's employment expanded a robust 8.4% in 2004 and an incredible 13.3% in 2005. During these same years total Idaho nonfarm employment advanced by 2.7% and 4.0%, respectively. Recent evidence suggests Idaho's construction sector peaked earlier this year. First, Idaho total housing starts have been oscillating between 20,000 units to 25,000 units over the last few quarters. However, it dropped to 21,515 units in the second quarter because of the decline in single-family starts. Wells Fargo's July 2006 *Idaho Construction Report* shows both the number and value of new dwelling permits in July 2006 were down from a year ago. In addition, the same report points out the number of dwelling unit permits issued through July 2006 is down 11.1% from the same period last year. Not all the building categories were down, however. In fact, nonresidential construction and alterations and repairs were up significantly from the previous year. This is consistent with the traditional pattern of the construction industry. Nonresidential construction typically follows residential construction as the businesses follow the population. Repairs and alterations still grow after a hot housing market cools because

### Idaho Construction Employment and Housing Starts

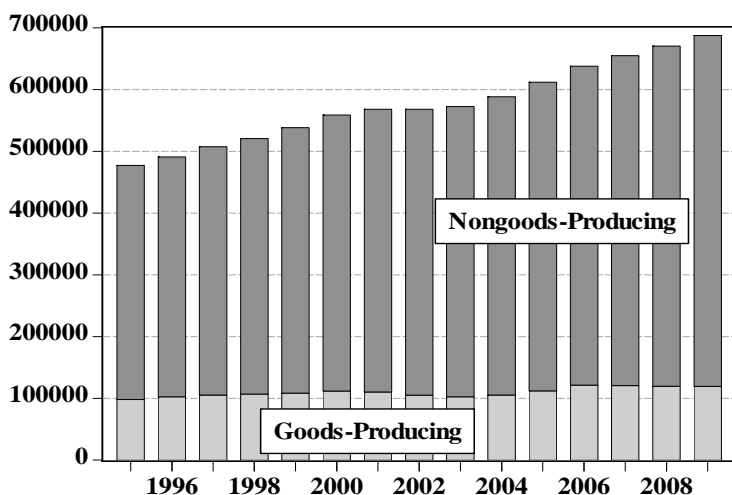


purchasers of existing homes usually take up to three years to remodel after purchasing a home. Both of these factors will help dampen the impact of falling housing starts. Before moving to the forecast of Idaho housing starts and construction employment, it is worthwhile to review history. Idaho's housing starts increased from just over 3,300 units in 1988 to nearly 23,200 units in 2005, which was a 12.2% annual gain over this 17-year period. Idaho construction employment rose about 5.9% annually from 1991 to 2005, or about twice as fast as total nonfarm employment. What this growth rate masks is how quickly housing starts accelerated in recent years. During the eight-year period from 1997 to 2005 housing starts grew from 8,900 to 23,161—a 161% increase, or about 13% per year. Not surprisingly, Idaho construction employment also expanded robustly, from 32,324 jobs to 45,130 jobs over the same period. The strong local sellers' market caused home prices to surge faster than the consumer price index, leading to concerns the state's housing market is due for a correction. A correction is not without precedent. A hot market caused Idaho housing starts to peak at over 12,600 units in 1977, which was a threefold increase from 1970's 4,000 housing units. Three years later there were less than 6,000 housing starts in the state, and housing starts remained below 6,000 units for the next decade. While Idaho housing starts are expected to decline from their recent highs, it is believed this decline will be orderly and less steep than it was three decades ago. There are several reasons for this prediction. First, interest rates and population growth are expected to change gradually, giving the construction industry ample time to adjust. Second, although the Idaho housing sector has been robust, there does not appear to be a serious excess inventory of properties in the state. Third, Idaho could benefit from a boom in second homes. Fourth, stable nonresidential construction and alterations and repairs. Idaho housing starts are expected to slide to 21,818 units in 2006, 21,200 units in 2007, 20,735 units in 2008, and 20,629 units in 2009. Keep in mind that even after falling for four years, the number of Idaho starts will still be higher than they were at the start of the decade.

**Nongoods-Producing Industries:** The private nongoods-producing sector will be the state's employment growth engine during the forecast period. This sector's anticipated 3.9% average annual job growth will dwarf the overall nonfarm rate of 3.0%. At this pace, it will account for 83% of the total jobs added in the next four years. The nongoods-producer sector can be divided into its services and trade components. Services consists of the following industries: information services; financial activities, transportation, warehousing, and utilities; professional and business services; education and health services; leisure and hospitality services; and other services. Trade is divided into retail and wholesale categories. The services component is the larger of the two, accounting for nearly three-

quarters of this sector's employment. This component's employment has averaged 4.3% annual growth from 1991 to 2005, while trade employment has expanded 2.6% per year. The service component's strength is no surprise, given it includes some of the economy's fastest growing industries. One of this sector's star performers is professional and business services. This category grew an impressive 5.1% in 2005 and should expand another 6.6% this year. Part of this year's strong showing reflects a reclassification of employees from the information services category to the professional and business services category in the

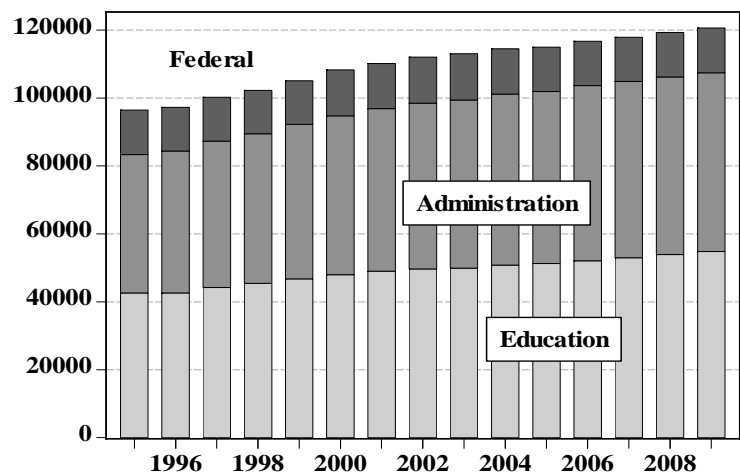
**Idaho Nonfarm Employment**



first quarter of 2006. Other strong performers include education and health services and leisure and hospitality services. An interesting trait of the former is that it is driven more by demographics than economics. As a result, education and health services employment is relatively immune to business cycle swings. However, the leisure and hospitality category will add jobs slightly faster over the forecast period. Overall services employment is projected to increase 3.9% annually. The trade sector's employment should also grow faster than total nonfarm employment, but slightly slower than the services sector's. Specifically, it is expected to increase an average of 3.7% per year.

**Government:** The Gem State's public sector should grow steadily, but slowly, over the forecast period. The public sector is an important source of jobs for the state's economy, accounting for nearly one of every five jobs in Idaho. The state and local government category is by far the largest employer, accounting for about 90% of the total, and federal employment makes up the remainder. Traditionally, state and local employment has grown much faster than federal employment. In fact, lately the former has been expanding while the latter has been contracting. The number of state and local government jobs has grown from 75,900 in 1992 to 101,871 in 2005. Federal government employment, on the other hand, dropped from 13,450 jobs to 13,079. One of the reasons state and local employment growth eclipsed federal employment growth over this period is because it is directly fueled by the state's strong population growth. Driven by a flood of newcomers, Idaho's population expanded nearly 30% from 1990 to 2000. Although population growth cooled in the early years of the current decade, it has recently accelerated. The U.S. Census Bureau estimates the Gem State's population jumped about 2.7% in 2005—the first time it has advanced above 2% this decade. The state's population is forecast to expand another 2.6% this year, but slow gradually over the remaining years of the forecast. As a result, Idaho state and local government employment growth should peak at 1.8% this year and grow about 1.2% in each following year. Most of this growth will be in education-related employment, which is forecast to increase more than twice as fast as noneducation-related employment after 2006. Idaho federal government employment is forecast to remain virtually flat over the next few years thanks to the anticipated austerity measures by the U.S. Congress. There are downside risks to the Idaho federal jobs forecast. Most notably, an estimated 660 jobs will be lost due to the latest round of base realignments and closures, with Mountain Home Air Force Base taking the biggest hit.

**Idaho Government Employment**

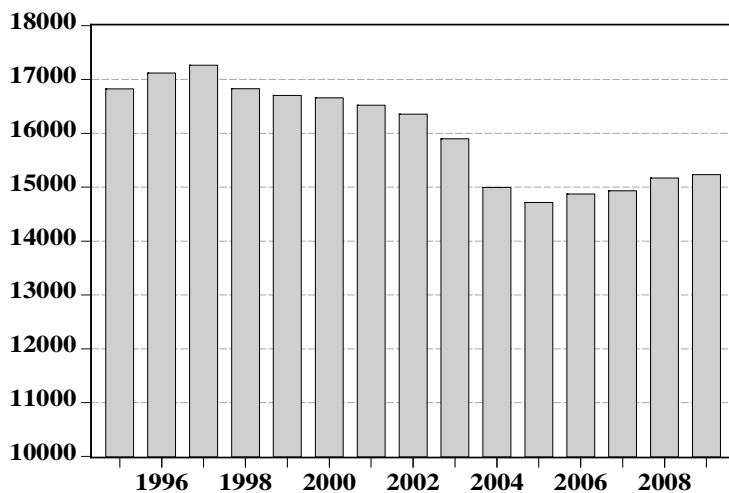


**Mining and Chemicals:** While the Gem State's mining and chemical sectors have expanded recently, both sectors are expected to shed jobs over the forecast period. This ebb and flow of jobs is endemic to resource-based industries that are sensitive to the business cycle. For example, Idaho mining industry employment rose from 1,758 jobs in 2002 to 2,160 in 2005 thanks to strong metal prices. Mining employment is forecast to increase another 7.3% to 2,319 jobs this year. Unfortunately, it appears employment will eventually regress to the downward trend that has plagued this sector. A review of the employment data shows cyclical job peaks have been getting progressively smaller over time. For example, Idaho mining employment peaked at 5,200 jobs in 1981. The next peak occurred in 1990, but it was 3,900 jobs. A peak of 3,000 jobs followed in 1997. This trend should continue when employment



hits 2,319 jobs this year then gradually declines to just under 2,000 jobs in 2009. Like the state's mining sector, Idaho's chemical sector has also expanded recently. These gains are a welcome change from previous years' job losses. The biggest job loss occurred when Astaris (formerly FMC) shut down its elemental phosphorous plant located just outside of Pocatello in 2002. As a result, chemical employment declined over 17% that year. This sector suffered another 5% job decline in 2003. It began a gradual recovery in 2004, and by 2005 employment was virtually the same as in 2002. This sector received a boost in 2006 when workers in the retail sector were reclassified as chemical workers. The good news is chemical employment should rise both this year and next year, reaching 2,145 jobs in 2007. However, a new round of job decrease will start after that year and employment will fall to about 1,900 jobs in 2009.

### Idaho Food Processing Employment



**Food Processing:** After years of declining employment, Idaho's largest nondurable manufacturing sector is expected to gain jobs this year for the first time this decade. This forecast confirms the food processing sector is recovering from the severe hits it took recently. For example, nearly 360 jobs were lost when unfavorable business conditions caused the J.R. Simplot Company to close its Nampa meat packing plant in the fall of 2003. In addition, the J.R. Simplot Company shuttered its Heyburn potato processing plant that was built in 1960 and since then had run continuously. More recently, the Swift and Company beef

processing plant fell victim to the embargo of Canadian beef imports into the U.S. Concerns over mad cow disease restrict imports to animals under 30 months old. The Nampa plant processed older animals and was not able to get enough animals to keep operations viable. About 400 jobs were lost when the company permanently closed the plant. Although some plants have closed, new plants are opening. Gossner Foods, Inc. has opened a new cheese manufacturing plant in Heyburn on land formerly occupied by the J.R. Simplot plant. Marathon Cheese is building a \$27-million plant in Mountain Home that will employ 250 workers. The plant's employment should climb to twice that many jobs in five years, making it one of Elmore County's largest employers. This sector's vitality is important because it adds value to the state's agricultural commodities. For example, nearly 60% of Idaho's most famous crop, potatoes, is processed. Idaho is also one of the nation's largest producers of both milk and cheese.

## FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the July 2006 to the October 2006 *Idaho Economic Forecast*. The July 2006 *Idaho Forecast* is based on Global Insight's July 2006 baseline forecast and the October 2006 *Idaho Forecast* is driven by Global Insight's October 2006 baseline U.S. macroeconomic forecast.

A comparison of several key variables shows how the outlooks for the national and state economies have changed compared to the July 2006 *Idaho Economic Forecast*. The national variables are reviewed first. Once again, the national variables present mixed signals. For example, output, both nominal and real, is lower than in the July forecast. But personal income tells a different story; the outlook for both nominal and real U.S. personal income has been raised. Interestingly, nonfarm employment is a mixed bag. It is significantly lower than had been previously forecast through 2008. However, in 2009 all of the ground lost in the prior years is made up, and U.S. nonfarm employment is 71,000 (0.1%) higher than in July 2006. Inflation is up slightly from the previous forecast.

As is the case with their national counterparts, Idaho nonfarm employment is down slightly from the previous forecast while personal income is up significantly. Recent data suggest Idaho nonfarm employment grew slower than anticipated during the second quarter. This lower starting point combined with the weaker outlook for national economic growth leads to a forecast of marginally slower local job growth compared to the previous forecast. The largest difference (-0.6%) between the current and previous job growth occurs next year. After 2007, the job gap between the two forecasts begins to shrink, and by 2009 it falls to just -0.1%. This September the U.S. Bureau of Economic Analysis revised their quarterly estimates of Idaho personal income back through 2003. These changes were significant enough to require the estimation of the Idaho Economic Model. Notably, Idaho farm proprietors' income was slashed over 50% (one-half billion dollars) in 2005. This change was more than offset by \$1.3 billion increase to dividends, interest, and rent income the same year. Contributions for social insurance were raised \$183 million in 2005, while other labor income was decreased \$164 million. The net impact of these and other changes was Idaho nominal personal income was \$306 million (0.8%) higher in 2005 than had been previously reported and real personal income was up \$215 million (0.6%). This higher starting point for the personal income helps raise the nominal income forecast by over \$1 billion each year. Idaho real personal income is up just under \$1 billion annually compared to the previous forecast.

**IDAHO ECONOMIC FORECAST  
FORECASTS COMPARISON  
DIFFERENCES BETWEEN  
OCTOBER 2006 AND JULY 2006 FORECASTS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>GDP (BILLIONS)</b>									
Current \$	0	0	-11	-22	-31	-55	-96	-68	-53
% Difference	0.0%	0.0%	-0.1%	-0.2%	-0.3%	-0.4%	-0.7%	-0.5%	-0.3%
2000 Chain-Weighted	0	0	-20	-52	-86	-100	-127	-112	-97
% Difference	0.0%	0.0%	-0.2%	-0.5%	-0.8%	-0.9%	-1.1%	-0.9%	-0.8%
<b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	0	0	33	593	306	1,238	1,082	1,098	1,407
% Difference	0.0%	0.0%	0.1%	1.6%	0.8%	2.9%	2.4%	2.2%	2.7%
U.S. (Billions)	0	0	-6	18	2	165	145	129	161
% Difference	0.0%	0.0%	-0.1%	0.2%	0.0%	1.5%	1.3%	1.1%	1.3%
<b>PERSONAL INCOME - 2000 \$</b>									
Idaho (Millions)	0	0	7	505	215	1,024	881	796	962
% Difference	0.0%	0.0%	0.0%	1.5%	0.6%	2.7%	2.2%	1.9%	2.2%
U.S. (Billions)	0	0	-12	6	-14	129	113	78	84
% Difference	0.0%	0.0%	-0.1%	0.1%	-0.1%	1.4%	1.2%	0.8%	0.8%
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	2	7	7	3	1	-1,272	-3,637	-3,322	-605
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.6%	-0.5%	-0.1%
U.S. (Thousands)	0	0	0	0	0	-83	-446	-396	71
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.3%	-0.3%	0.1%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	1	2	2	1	-1	1,058	-92	250	1,448
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	-0.1%	0.2%	1.2%
U.S. (Thousands)	0	0	0	0	0	-26	-201	-210	-102
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.9%	-0.9%	-0.5%
<b>NONGOODS PRODUCING SECTOR</b>									
Idaho	1	5	5	3	2	-2,329	-3,546	-3,572	-2,053
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%	-0.7%	-0.6%	-0.4%
U.S. (Thousands)	0	0	0	0	0	-57	-246	-186	173
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.2%	-0.2%	0.1%
<b>FINANCIAL MARKETS</b>									
Federal Funds Rate	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.4%	-0.3%	-0.3%
Bank Prime Rate	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.4%	-0.3%	-0.3%
Mort Rate, Existing Homes	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.4%	-0.3%	-0.2%
<b>INFLATION</b>									
GDP Price Deflator	0.000	0.000	0.100	0.327	0.567	0.539	0.459	0.553	0.532
Personal Cons Deflator	0.000	0.000	0.076	0.127	0.180	0.178	0.135	0.364	0.555
Consumer Price Index	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.009	0.013

Forecast Begins the **THIRD** Quarter of 2006

## ALTERNATIVE FORECASTS

Global Insight has assigned a 55% probability of occurrence to its October 2006 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 3.3% in 2006, 2.4% in 2007, 3.3% in 2008, and 3.3% in 2009;
- U.S. nonfarm employment grows 1.4% in 2006, 1.1% in 2007, 1.4% in 2008, and 1.6% in 2009;
- the annual U.S. civilian unemployment rate is no higher than 5.0% through 2009;
- consumer inflation is 3.3% in 2006, 2.2% in 2007, 2.0% in 2008, and 1.8% in 2009;
- the current account deficit is \$875 billion in 2006, \$842 billion in 2007, \$830 billion in 2008, and \$858 billion in 2009; and
- the federal unified budget deficit is \$270 billion in 2006, \$287 billion in 2007, \$294 billion in 2008, and \$268 billion in 2009.

## OPTIMISTIC SCENARIO

Global Insight has assigned its *Optimistic Scenario* a 20% probability of occurrence. Seven assumptions distinguish this scenario from the baseline. First, total factor productivity is stronger. Underlying this assumption is the belief the information-driven technology boom will continue. Second, foreign economic growth is stronger, which causes U.S. exports to grow faster in most years in this scenario. Third, the U.S. dollar is stronger in this scenario. Fourth, business investment is stronger. This is not hard to imagine because the current level of business spending is below the historical average at a time when businesses are running out of industrial capacity. Fifth, the federal budget deficit is lower thanks to higher revenues and lower federal transfer payments. Also contributing to the smaller deficit is lower interest payments. Sixth, lower mortgage interest rates contribute to stronger housing starts. Seventh, the *Optimistic Scenario* assumes energy prices are lower than in the baseline.

These assumptions produce a rosier forecast than the baseline. Real GDP is stronger in 2007, 3.1% versus 2.4%. Although economic growth and labor markets are stronger, inflation is lower because of the stronger dollar and the higher productivity gains. The lower inflation allows the Federal Reserve to keep its federal funds rate below the *Baseline Scenario's* rate. Job growth is also stronger, which keeps the unemployment rate below its baseline counterpart over the forecast period.

The strong U.S. productivity growth has a double-edged impact in Idaho. On the upside, it boosts local employment. In 2009, there are 171 more Idaho jobs than in the baseline case. On the down side, productivity gains lower wage increases. Unfortunately, the slight job gain does not offset the lower wages. As a result, Idaho nominal personal income in 2009 is significantly lower in the *Optimistic Scenario* compared to the *Baseline Scenario*, \$52.5 billion versus \$53.6 billion. However, this gap narrows when income is adjusted for inflation because prices rise slower than in the *Baseline Scenario*. Specifically, Idaho inflation-adjusted personal income is \$44.0 billion in 2009 in this scenario and \$44.2 billion in the baseline. In summary, Idaho nonfarm employment is up slightly and real Idaho personal income is down marginally in 2009 from their baseline counterparts.

**IDAHO ECONOMIC FORECAST**  
**BASELINE AND ALTERNATIVE FORECASTS**  
**OCTOBER 2006**

	BASELINE				OPTIMISTIC				PESSIMISTIC			
	2006	2007	2008	2009	2006	2007	2008	2009	2006	2007	2008	2009
<b>GDP (BILLIONS)</b>												
Current \$	13,242	13,851	14,587	15,366	13,246	13,905	14,685	15,482	13,233	13,701	14,334	15,270
% Ch	6.3%	4.6%	5.3%	5.3%	6.3%	5.0%	5.6%	5.4%	6.2%	3.5%	4.6%	6.5%
2000 Chain-Weighted	11,412	11,681	12,066	12,468	11,416	11,765	12,249	12,729	11,405	11,521	11,723	12,086
% Ch	3.3%	2.4%	3.3%	3.3%	3.3%	3.1%	4.1%	3.9%	3.2%	1.0%	1.8%	3.1%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	43,949	46,995	50,053	53,592	43,921	46,660	49,363	52,478	44,008	47,826	51,524	55,861
% Ch	8.3%	6.9%	6.5%	7.1%	8.2%	6.2%	5.8%	6.3%	8.4%	8.7%	7.7%	8.4%
U.S. (Billions)	10,966	11,547	12,197	12,934	10,966	11,560	12,230	12,978	10,970	11,552	12,146	12,959
% Ch	7.1%	5.3%	5.6%	6.0%	7.1%	5.4%	5.8%	6.1%	7.1%	5.3%	5.1%	6.7%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	38,359	40,248	42,044	44,208	38,354	40,261	41,994	44,041	38,379	40,454	42,218	44,369
% Ch	5.4%	4.9%	4.5%	5.1%	5.4%	5.0%	4.3%	4.9%	5.4%	5.4%	4.4%	5.1%
U.S. (Billions)	9,571	9,890	10,245	10,670	9,576	9,975	10,404	10,892	9,567	9,772	9,952	10,293
% Ch	4.2%	3.3%	3.6%	4.1%	4.3%	4.2%	4.3%	4.7%	4.2%	2.1%	1.8%	3.4%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	637,854	654,594	670,316	687,511	637,823	655,295	671,712	687,682	637,968	654,197	666,777	683,054
% Ch	4.3%	2.6%	2.4%	2.6%	4.3%	2.7%	2.5%	2.4%	4.3%	2.5%	1.9%	2.4%
U.S. (Thousands)	135,300	136,729	138,700	140,856	135,304	137,097	139,750	142,444	135,272	135,887	136,469	138,369
% Ch	1.4%	1.1%	1.4%	1.6%	1.4%	1.3%	1.9%	1.9%	1.4%	0.5%	0.4%	1.4%
<b>GOODS-PRODUCING SECTOR</b>												
Idaho	121,481	120,639	119,550	119,197	121,484	121,154	120,663	119,528	121,502	119,232	115,617	116,584
% Ch	8.1%	-0.7%	-0.9%	-0.3%	8.1%	-0.3%	-0.4%	-0.9%	8.2%	-1.9%	-3.0%	0.8%
U.S. (Thousands)	22,394	22,226	22,112	22,173	22,386	22,234	22,318	22,556	22,419	22,086	21,392	21,260
% Ch	1.2%	-0.8%	-0.5%	0.3%	1.1%	-0.7%	0.4%	1.1%	1.3%	-1.5%	-3.1%	-0.6%
<b>NONGOODS-PRODUCING SECTOR</b>												
Idaho	516,373	533,955	550,766	568,314	516,339	534,140	551,049	568,154	516,466	534,964	551,160	566,470
% Ch	3.4%	3.4%	3.1%	3.2%	3.4%	3.4%	3.2%	3.1%	3.4%	3.6%	3.0%	2.8%
U.S. (Thousands)	112,906	114,503	116,588	118,683	112,918	114,863	117,432	119,887	112,853	113,802	115,077	117,109
% Ch	1.4%	1.4%	1.8%	1.8%	1.4%	1.7%	2.2%	2.1%	1.4%	0.8%	1.1%	1.8%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	5.0%	4.8%	4.5%	4.7%	5.0%	4.7%	4.3%	4.5%	5.0%	7.2%	7.1%	6.1%
Bank Prime	8.0%	7.8%	7.5%	7.7%	8.0%	7.7%	7.3%	7.5%	8.0%	10.2%	10.1%	9.1%
Existing Home Mortgage	6.6%	6.5%	6.7%	7.0%	6.6%	6.1%	6.2%	6.6%	6.6%	7.9%	8.5%	8.4%
<b>INFLATION</b>												
GDP Price Deflator	2.9%	2.2%	2.0%	1.9%	2.9%	1.9%	1.4%	1.5%	2.9%	2.5%	2.8%	3.3%
Personal Cons Deflator	2.8%	1.9%	2.0%	1.8%	2.9%	1.9%	1.4%	1.5%	2.8%	3.1%	3.2%	3.2%
Consumer Price Index	3.3%	2.2%	2.0%	1.8%	3.2%	1.4%	1.5%	1.3%	3.3%	3.2%	2.9%	2.9%

Forecast Begins the **THIRD** Quarter of 2006

## PESSIMISTIC SCENARIO

The *Pessimistic Scenario* has been assigned a 25% probability of occurrence. In this scenario, a key lever in the forecast is core inflation is higher than in the baseline case. One of the reasons for the price acceleration is this alternative assumes there is less spare capacity in the world. Rapid technological advances and high oil prices may have rendered obsolete much of the idled capacity that theoretically remains on the books. This alternative forecast also assumes the dollar weakens as foreign investors flee the greenback over concerns of the huge U.S. trade deficit. The Federal Reserve raises interest rates more steeply in this alternative compared to the baseline. Despite this more aggressive stance, both the bond and stock markets slip on signs the Federal Reserve may have responded to rising inflation too slowly. Both of these factors point to higher interest rates than in the baseline. The rising interest rates deepen the housing downturn. The central bank may concede the round, but not the match, and it continues to raise rates in order to stop inflation.

Consumer confidence suffers from the higher interest rates and persistently high energy prices. Consumer confidence is dented further under the combined weight of slow job growth and increasing debt loads. As a result of these combined concerns, consumers reel in their discretionary spending, which causes the economy to suffer. The economy does not sink into a recession in this alternative, but merely fails to come as close to its potential as in the baseline. The weaker dollar causes production to shift from satisfying domestic demand to serving foreign demand.

As expected, Idaho nonfarm employment grows slower in the *Pessimistic Scenario* than in the *Baseline Scenario*, so there are about 4,500 fewer jobs in 2009. However, forecasted Idaho nominal personal income is actually higher in the forecast's terminal year. The nearly \$2.3 billion gap partially results from stronger wage growth that stems from the weaker productivity growth. But wages do not explain the entire gap. The dividends, interest, and rent income portion of personal income is also higher thanks to elevated interest rates. Adjusting for the higher inflation in the *Pessimistic Scenario* diminishes the personal income gap, but does not bridge it; Idaho real personal income is slightly higher in the current scenario compared to the baseline case.

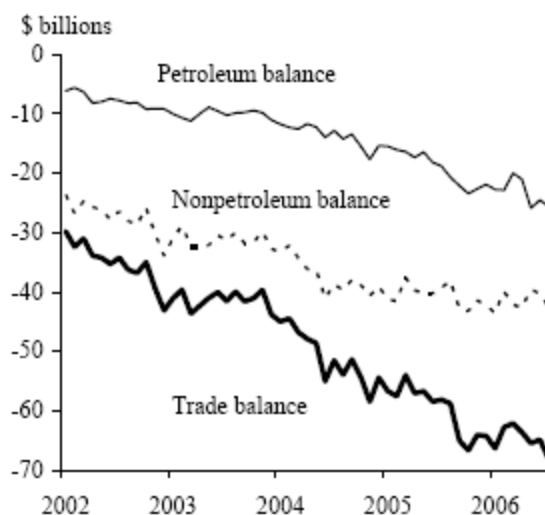
## Oil Prices and the U.S. Trade Deficit

Michele Cavallo<sup>1</sup>

With the price of oil in world energy markets having nearly quadrupled over the last four years, it is little surprise that U.S. import prices have soared. One concern about these higher import prices relates to their implications for the U.S. trade balance, which turned to a deficit in 1992 and has been deteriorating ever since.

This *Economic Letter* explores the relation between the surge in oil prices and the trade deficit by first reviewing data on U.S. international trade in goods and services. It then discusses a recent study that examines how the U.S. trade deficit might evolve in response to higher oil prices. Finally, it considers a model that can help explain why, surprisingly, the volume of U.S. petroleum imports has remained essentially constant, despite the remarkable increase in their cost and what that implies for the trade deficit.

Figure 1: U.S. international trade balance in goods and services



### Has the increase in oil prices affected the U.S. trade deficit?

Figure 1 plots monthly data from January 2002 to July 2006 for both the overall trade balance and the petroleum-related trade balance; the latter includes imports and exports of crude oil, fuel oil, liquefied petroleum gases, and other petroleum products. It shows that the overall monthly trade deficit went from \$30 billion to \$68 billion, and the petroleum-related trade deficit went from \$6 billion to \$26 billion. These numbers imply that higher oil prices and the resulting higher cost of petroleum imports have accounted for over 50% of the deterioration in the overall U.S. trade deficit during this period. Indeed, looking at only the last two years, from August 2004 to July 2006, the data are more striking. The overall trade deficit grew from \$54 billion to \$68 billion and the petroleum-related trade deficit rose from \$14 billion to \$26 billion, indicating that the deterioration in the petroleum-related trade deficit accounts for 80% of the worsening in the overall trade deficit.

### How will higher oil prices affect the U.S. trade deficit?

If oil prices persist at higher levels, what will happen to the U.S. trade deficit? Will it continue to deteriorate, or will it level off over time, or even revert to a balanced position? These questions are particularly pertinent because oil futures markets indicate that oil prices may well remain at their relatively high current levels for the foreseeable future.

To tackle these questions, Rebucci and Spatafora (2006) examine how an advanced oil-importing economy like the U.S. adjusts to a permanent increase in the price of oil. As one would expect, they find

<sup>1</sup> This article originally appeared in the Number 2006-24; September 22, 2006 *FRBSF Economic Letter*. Opinions expressed in this article are those of the authors and do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco or the Board of Governors of the Federal Reserve System.

that, as the price of oil rises, the overall trade deficit increases noticeably relative to its baseline level. In their analysis, the adjustment process works through the effects of relative price changes on the nonpetroleum trade deficit. Specifically, as oil imports become more expensive, households and businesses have fewer resources to spend on other goods and services, which leads to a contraction in domestic nonpetroleum demand for consumption and investment. This contraction, in turn, leads to a decline in the terms-of-trade, which is the relative price of domestic tradables in terms of foreign tradables. In particular, lower domestic demand for nonpetroleum products leads to lower domestic demand for domestic tradables, which is compensated only in part by higher foreign demand coming from oil-exporting countries, which is generated by their higher oil revenues. This effect is related to "home bias," as domestic tradables normally represent a disproportionately higher share of domestic demand than they do of foreign demand. As a result, a contraction in domestic nonpetroleum demand generates a lower overall demand for domestic tradables and, correspondingly, an excess of supply of these goods, leading therefore to a decline in their relative price. As domestic tradables become more competitive, export sales increase and the nonpetroleum trade balance improves. In turn, this improvement helps the overall trade deficit, so that, eventually, it returns to its baseline level.

How has this adjustment process played out in the U.S. so far? During the last two years, the nonpetroleum trade deficit has not improved but has actually remained constant, at \$44 billion. This suggests that the adjustment process in the U.S. overall trade deficit is occurring quite slowly. How long, then, can the adjustment process take? The answer depends, in part, on the persistence of the oil price increase: The longer oil prices stay at high levels, the longer it will take for the trade deficit to adjust.

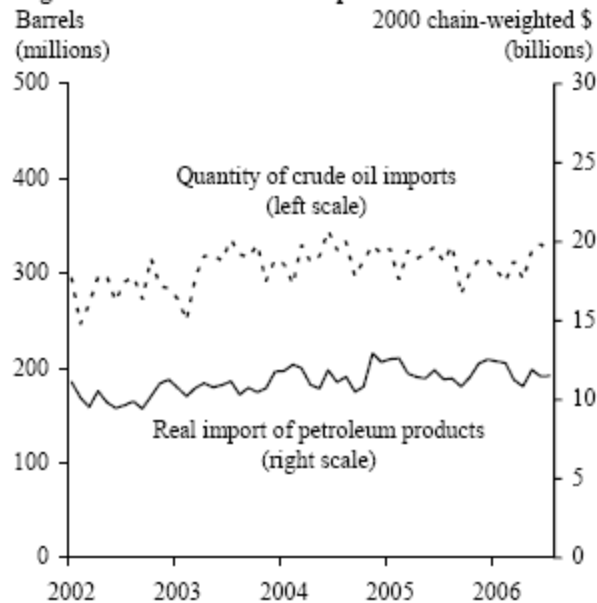
As Rebucci and Spatafora point out, the answer also depends on other factors, two of which I will highlight here. The first factor is the monetary policy responses of oil-importing countries. Monetary policy, of course, affects interest rates, which, in turn, affect domestic aggregate demand and economic growth in oil-importing countries, ultimately influencing their demand for imports and, therefore, the evolution of their overall trade deficit. When higher oil prices start to raise not only headline inflation but also core inflation—that is, the price measure that excludes food and energy—the central bank usually tightens monetary policy to offset the inflationary pressure. The resulting increase in interest rates dampens domestic aggregate demand even further, leading to slower economic growth, a decline in the demand for imports, and a faster improvement in the overall trade deficit.

In theory, the increase in interest rates can also induce an offsetting effect on the trade deficit by appreciating the domestic currency. The currency appreciation, by making domestic goods relatively more expensive than imported goods, can lead to a decline in exports, an increase in imports, and a deterioration in the overall trade deficit. In reality, however, this effect is likely to be smaller than the one that works through the reduction in the demand for imports. In fact, empirical evidence shows that the degree of pass-through of exchange rate movements to domestic import prices is quite limited, and that the demand for imports and exports tends to be rather unresponsive to relative price changes. As a result, the effect that works through the demand for imports is likely to dominate, so that an increase in the domestic interest rate leads to a faster improvement in the overall trade balance.

How much tightening the central bank does may depend on how well-anchored the public's inflation expectations are—in other words, on how firmly the public expects inflation to stay in the vicinity of price stability in the future. For example, in the U.S., inflation expectations appear to be pretty well-anchored, and, as a result, higher oil prices have had only a limited impact on core inflation; therefore, with well-anchored expectations, the Fed has not had to raise interest rates aggressively. Rebucci and Spatafora conclude that this factor might have helped delay the adjustment of trade deficits in the U.S.



**Figure 2: Measures of oil imports**



The speed of the adjustment can also be affected by how strongly the central bank responds to any increase in inflation expectations and core inflation.

The second factor is the extent to which oil-exporting countries spend or save their additional revenues from higher oil prices. In fact, oil-exporting countries have been quite cautious about increasing their spending in response to the windfall generated by larger oil revenues. One consequence of the resulting increase in saving by these economies has been a larger global supply of funds, helping to keep global interest rates at lower levels. Rebucci and Spatafora suggest that unusually low global interest rates might have limited the contraction in demand, thereby facilitating the persistence of trade deficits. Obstfeld and Rogoff (1995) argue that this factor was also at work after the oil-price increase of the early

1970s; at that time, oil-exporting countries were unable to raise their spending in line with the increase in oil revenues. As spending in oil-exporting countries rose by less than it fell in oil-importing countries, the amount of global saving increased and helped push global interest rates down.

### **Why have U.S. oil imports not declined as oil prices have increased?**

In the U.S., one additional factor that has hindered the adjustment of the trade deficit is that the volume of oil imports has remained essentially constant. As shown in Figure 2, two measures of oil imports—the quantity of crude oil imports and the amount of real petroleum-related imports—have not declined in response to the oil price increases that began in 2002. As a result, increases in both nominal expenditures for petroleum imports and the petroleum-related trade deficit have tracked increases in petroleum import prices quite closely. Though this finding may seem surprising, Atkeson and Kehoe (1999) note that this pattern is fairly well known among energy economists, who have observed that, in the short run, the use of energy resources, such as oil, is fairly unresponsive to price movements.

Atkeson and Kehoe construct a model that captures this feature of the data. The mechanism underlying their model helps explain why oil imports have not declined and why the U.S. trade deficit has not adjusted as oil prices have soared.

In their model oil enters as an energy input, which is combined with the stock of existing capital goods to produce consumption goods. These capital goods are designed to use energy in fixed proportions; in other words, they require a fixed complement of energy to operate. Therefore, firms cannot adjust their energy consumption in response to higher energy prices in the short run.

In the long run, however, matters are quite different. With persistently higher energy prices, businesses tend to invest in new types of capital goods that use lower proportions of energy. As a result, energy use ultimately is quite responsive to higher energy prices, as more energy-efficient capital goods replace less energy-efficient ones over time.

## Conclusions

Oil prices have almost quadrupled since the beginning of 2002. For an oil-importing country like the U.S., this has substantially increased the cost of petroleum imports. International trade data suggest that this increase has exacerbated the deterioration of the U.S. trade deficit, especially since the second half of 2004. One factor can explain this evolution: The real volume of U.S. petroleum imports has remained essentially constant. One explanation for why the demand for petroleum imports has not declined in response to higher prices comes from a model in which firms are fairly limited in their ability to adjust their use of energy sources, such as oil, in the short term.

Of course, the mechanism underlying this model may imply that it could take a while for the U.S. trade deficit to adjust in response to persistently higher oil prices, as businesses need time to install new, less energy-intensive equipment. However, one positive and important implication is that eventually the U.S. economy will become more energy-efficient, which, in turn, would help contain the cost of oil imports and increase the economy's flexibility in absorbing future oil price increases.

## References

[URL accessed September 2006.]

Atkeson, Andrew, and Patrick J. Kehoe. 1999. "Models of Energy Use: Putty-Putty versus Putty-Clay." *American Economic Review* 89(4) (September), pp. 1028-1043.

Obstfeld, Maurice, and Kenneth S. Rogoff. 1995. *Foundations of International Macroeconomics*. Cambridge, MA: MIT Press.

Rebucci, Alessandro, and Nikola Spatafora. 2006. "Oil Prices and Global Imbalances." In *IMF World Economic Outlook* (April 2006), pp. 71-96. Washington, DC: International Monetary Fund. <http://www.imf.org/external/pubs/ft/weo/2006/01/pdf/c2.pdf>

# **IDAHO ECONOMIC FORECAST**

**OCTOBER 2006**

## **FORECAST DETAIL**

Annual Forecast 1992-2009 .....	Page 30
Quarterly Forecast 2004-2009 .....	Page 44

### **Reporting Conventions**

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

### **Data Sources**

National forecast data is provided by Global Insight, as well as the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data is obtained from the Department of Commerce and Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Commerce and Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2006**

**DEMOGRAPHICS**

	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>POPULATION</b>									
Idaho (Thousands)	1,072.1	1,108.6	1,144.9	1,177.0	1,203.2	1,228.4	1,252.3	1,275.7	1,299.1
% Ch	3.0%	3.4%	3.3%	2.8%	2.2%	2.1%	1.9%	1.9%	1.8%
National (Millions)	257.357	260.688	263.853	266.980	270.115	273.368	276.553	279.731	282.802
% Ch	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%
<b>BIRTHS</b>									
Idaho (Thousands)	17.197	17.575	17.690	17.915	18.482	18.599	19.188	19.897	20.304
% Ch	2.7%	2.2%	0.7%	1.3%	3.2%	0.6%	3.2%	3.7%	2.0%
National (Thousands)	4,038	3,997	3,964	3,935	3,911	3,892	3,880	3,874	3,872
% Ch	-1.8%	-1.0%	-0.8%	-0.7%	-0.6%	-0.5%	-0.3%	-0.2%	-0.1%
<b>DEATHS</b>									
Idaho (Thousands)	7.887	8.277	8.478	8.553	8.679	8.953	9.105	9.488	9.538
% Ch	3.2%	4.9%	2.4%	0.9%	1.5%	3.2%	1.7%	4.2%	0.5%
National (Thousands)	2,210	2,237	2,264	2,291	2,318	2,345	2,372	2,399	2,424
% Ch	2.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.0%
<b>NET MIGRATION</b>									
Idaho (Thousands)	21.659	27.168	27.115	22.652	16.417	15.583	13.836	12.975	12.658
<b>HOUSING</b>									
<b>HOUSING STARTS</b>									
Idaho	9,612	11,549	12,782	9,425	9,237	8,861	10,105	10,334	11,468
% Ch	45.9%	20.2%	10.7%	-26.3%	-2.0%	-4.1%	14.0%	2.3%	11.0%
National (Millions)	1.201	1.292	1.446	1.361	1.469	1.475	1.621	1.647	1.573
% Ch	19.1%	7.5%	12.0%	-5.9%	7.9%	0.4%	9.9%	1.6%	-4.5%
<b>SINGLE UNITS</b>									
Idaho	7,910	8,949	9,424	7,296	7,844	7,651	9,039	9,191	10,336
% Ch	39.7%	13.1%	5.3%	-22.6%	7.5%	-2.4%	18.1%	1.7%	12.5%
National (Millions)	1.032	1.131	1.191	1.082	1.154	1.136	1.278	1.306	1.232
% Ch	23.6%	9.6%	5.4%	-9.2%	6.7%	-1.6%	12.4%	2.2%	-5.7%
<b>MULTIPLE UNITS</b>									
Idaho	1,702	2,600	3,358	2,129	1,393	1,209	1,065	1,144	1,133
% Ch	83.2%	52.8%	29.2%	-36.6%	-34.6%	-13.2%	-11.9%	7.3%	-1.0%
National (Millions)	0.170	0.161	0.255	0.279	0.314	0.338	0.344	0.341	0.341
% Ch	-2.4%	-5.1%	58.3%	9.4%	12.7%	7.6%	1.6%	-0.7%	0.1%
<b>HOUSING STOCK</b>									
Idaho (Thousands)	347.3	357.0	368.8	377.9	386.3	393.8	402.4	411.4	421.2
% Ch	2.2%	2.8%	3.3%	2.4%	2.2%	1.9%	2.2%	2.2%	2.4%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2006**

**DEMOGRAPHICS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>POPULATION</b>									
Idaho (Thousands)	1,320.7	1,342.0	1,365.5	1,391.0	1,428.0	1,465.7	1,498.6	1,530.9	1,563.0
% Ch	1.7%	1.6%	1.8%	1.9%	2.7%	2.6%	2.2%	2.2%	2.1%
National (Millions)	285.729	288.567	291.434	294.232	296.941	299.625	302.293	304.935	307.599
% Ch	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>									
Idaho (Thousands)	20.684	21.002	21.735	22.526	23.344	24.339	25.149	25.931	26.708
% Ch	1.9%	1.5%	3.5%	3.6%	3.6%	4.3%	3.3%	3.1%	3.0%
National (Thousands)	3,876	3,885	3,901	3,925	3,955	3,991	4,033	4,077	4,123
% Ch	0.1%	0.2%	0.4%	0.6%	0.8%	0.9%	1.0%	1.1%	1.1%
<b>DEATHS</b>									
Idaho (Thousands)	9.811	9.935	10.308	10.020	10.225	10.479	10.706	10.928	11.150
% Ch	2.9%	1.3%	3.8%	-2.8%	2.0%	2.5%	2.2%	2.1%	2.0%
National (Thousands)	2,446	2,467	2,487	2,507	2,528	2,548	2,569	2,590	2,611
% Ch	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>NET MIGRATION</b>									
Idaho (Thousands)	10.645	10.247	12.077	13.013	23.856	23.855	18.512	17.222	16.548
<b>HOUSING</b>									
<b>HOUSING STARTS</b>									
Idaho	12,182	13,196	16,298	18,482	23,161	21,818	21,200	20,735	20,629
% Ch	6.2%	8.3%	23.5%	13.4%	25.3%	-5.8%	-2.8%	-2.2%	-0.5%
National (Millions)	1.601	1.710	1.854	1.950	2.073	1.828	1.594	1.669	1.704
% Ch	1.8%	6.8%	8.4%	5.2%	6.3%	-11.8%	-12.8%	4.7%	2.1%
<b>SINGLE UNITS</b>									
Idaho	10,374	11,126	13,813	16,073	20,801	19,820	19,271	18,890	18,885
% Ch	0.4%	7.2%	24.2%	16.4%	29.4%	-4.7%	-2.8%	-2.0%	0.0%
National (Millions)	1.272	1.363	1.505	1.604	1.719	1.490	1.258	1.327	1.360
% Ch	3.2%	7.2%	10.4%	6.6%	7.2%	-13.3%	-15.6%	5.4%	2.5%
<b>MULTIPLE UNITS</b>									
Idaho	1,808	2,070	2,485	2,409	2,360	1,999	1,929	1,845	1,744
% Ch	59.7%	14.5%	20.0%	-3.1%	-2.0%	-15.3%	-3.5%	-4.3%	-5.5%
National (Millions)	0.330	0.347	0.349	0.345	0.354	0.339	0.336	0.342	0.343
% Ch	-3.5%	5.3%	0.5%	-1.0%	2.6%	-4.4%	-0.7%	1.8%	0.3%
<b>HOUSING STOCK</b>									
Idaho (Thousands)	432.1	442.9	457.0	473.0	493.4	514.4	534.1	553.4	572.3
% Ch	2.6%	2.5%	3.2%	3.5%	4.3%	4.2%	3.8%	3.6%	3.4%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2006**

**OUTPUT, INCOME, & WAGES**

	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>GROSS DOM. PRODUCT (Billions)</b>									
Current Dollars	6,338	6,657	7,072	7,398	7,817	8,304	8,747	9,268	9,817
% Ch	5.7%	5.0%	6.2%	4.6%	5.7%	6.2%	5.3%	6.0%	5.9%
2000 Chain-Weighted	7,337	7,533	7,835	8,032	8,329	8,704	9,067	9,470	9,817
% Ch	3.3%	2.7%	4.0%	2.5%	3.7%	4.5%	4.2%	4.4%	3.7%
 <b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	18,318	20,072	21,422	22,871	24,360	25,367	27,287	29,068	31,290
% Ch	9.7%	9.6%	6.7%	6.8%	6.5%	4.1%	7.6%	6.5%	7.6%
Idaho Nonfarm (Millions)	17,475	19,009	20,685	22,057	23,433	24,611	26,350	28,054	30,448
% Ch	10.0%	8.8%	8.8%	6.6%	6.2%	5.0%	7.1%	6.5%	8.5%
National (Billions)	5,362	5,559	5,843	6,152	6,521	6,915	7,423	7,802	8,430
% Ch	6.2%	3.7%	5.1%	5.3%	6.0%	6.1%	7.3%	5.1%	8.0%
 <b>PERSONAL INCOME - 2000 \$</b>									
Idaho (Millions)	21,342	22,858	23,892	24,973	26,040	26,666	28,429	29,788	31,289
% Ch	6.7%	7.1%	4.5%	4.5%	4.3%	2.4%	6.6%	4.8%	5.0%
Idaho Nonfarm (Millions)	20,359	21,648	23,068	24,085	25,048	25,871	27,452	28,748	30,447
% Ch	6.9%	6.3%	6.6%	4.4%	4.0%	3.3%	6.1%	4.7%	5.9%
National (Billions)	6,247	6,330	6,516	6,718	6,970	7,269	7,734	7,996	8,429
% Ch	3.2%	1.3%	2.9%	3.1%	3.8%	4.3%	6.4%	3.4%	5.4%
 <b>PER CAPITA PERS INC - CURR \$</b>									
Idaho	17,084	18,103	18,708	19,431	20,246	20,649	21,788	22,784	24,084
% Ch	6.6%	6.0%	3.3%	3.9%	4.2%	2.0%	5.5%	4.6%	5.7%
National	20,834	21,322	22,142	23,043	24,139	25,295	26,840	27,891	29,807
% Ch	4.7%	2.3%	3.8%	4.1%	4.8%	4.8%	6.1%	3.9%	6.9%
 <b>PER CAPITA PERS INC - 2000 \$</b>									
Idaho	19,905	20,617	20,866	21,218	21,642	21,707	22,700	23,349	24,084
% Ch	3.6%	3.6%	1.2%	1.7%	2.0%	0.3%	4.6%	2.9%	3.1%
National	24,274	24,282	24,695	25,163	25,803	26,591	27,964	28,584	29,806
% Ch	1.8%	0.0%	1.7%	1.9%	2.5%	3.1%	5.2%	2.2%	4.3%
 <b>AVERAGE ANNUAL WAGE</b>									
Idaho	21,613	22,051	22,728	23,594	24,147	24,803	25,822	26,992	28,657
% Ch	4.2%	2.0%	3.1%	3.8%	2.3%	2.7%	4.1%	4.5%	6.2%
National	27,410	27,807	28,279	29,148	30,237	31,582	33,219	34,622	36,642
% Ch	5.2%	1.4%	1.7%	3.1%	3.7%	4.5%	5.2%	4.2%	5.8%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2006**

**OUTPUT, INCOME, & WAGES**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>GROSS DOM. PRODUCT (Billions)</b>									
Current Dollars	10,128	10,470	10,961	11,712	12,456	13,242	13,851	14,587	15,366
% Ch	3.2%	3.4%	4.7%	6.9%	6.3%	6.3%	4.6%	5.3%	5.3%
2000 Chain-Weighted	9,891	10,049	10,301	10,704	11,049	11,412	11,681	12,066	12,468
% Ch	0.8%	1.6%	2.5%	3.9%	3.2%	3.3%	2.4%	3.3%	3.3%
 <b>PERSONAL INCOME - CURR \$</b>									
Idaho (Millions)	33,054	33,849	34,687	38,090	40,584	43,949	46,995	50,053	53,592
% Ch	5.6%	2.4%	2.5%	9.8%	6.5%	8.3%	6.9%	6.5%	7.1%
Idaho Nonfarm (Millions)	32,039	32,921	33,969	36,942	39,589	42,944	45,925	48,967	52,492
% Ch	5.2%	2.8%	3.2%	8.8%	7.2%	8.5%	6.9%	6.6%	7.2%
National (Billions)	8,724	8,882	9,164	9,731	10,239	10,966	11,547	12,197	12,934
% Ch	3.5%	1.8%	3.2%	6.2%	5.2%	7.1%	5.3%	5.6%	6.0%
 <b>PERSONAL INCOME - 2000 \$</b>									
Idaho (Millions)	32,376	32,690	32,847	35,143	36,397	38,359	40,248	42,044	44,208
% Ch	3.5%	1.0%	0.5%	7.0%	3.6%	5.4%	4.9%	4.5%	5.1%
Idaho Nonfarm (Millions)	31,382	31,795	32,167	34,083	35,504	37,482	39,331	41,131	43,300
% Ch	3.1%	1.3%	1.2%	6.0%	4.2%	5.6%	4.9%	4.6%	5.3%
National (Billions)	8,545	8,578	8,678	8,979	9,183	9,571	9,890	10,245	10,670
% Ch	1.4%	0.4%	1.2%	3.5%	2.3%	4.2%	3.3%	3.6%	4.1%
 <b>PER CAPITA PERS INC - CURR \$</b>									
Idaho	25,029	25,222	25,402	27,381	28,418	29,983	31,357	32,694	34,286
% Ch	3.9%	0.8%	0.7%	7.8%	3.8%	5.5%	4.6%	4.3%	4.9%
National	30,533	30,779	31,442	33,072	34,481	36,599	38,198	39,998	42,047
% Ch	2.4%	0.8%	2.2%	5.2%	4.3%	6.1%	4.4%	4.7%	5.1%
 <b>PER CAPITA PERS INC - 2000 \$</b>									
Idaho	24,515	24,360	24,055	25,264	25,489	26,170	26,855	27,463	28,283
% Ch	1.8%	-0.6%	-1.2%	5.0%	0.9%	2.7%	2.6%	2.3%	3.0%
National	29,907	29,727	29,775	30,515	30,926	31,944	32,715	33,598	34,686
% Ch	0.3%	-0.6%	0.2%	2.5%	1.3%	3.3%	2.4%	2.7%	3.2%
 <b>AVERAGE ANNUAL WAGE</b>									
Idaho	28,736	29,210	29,774	30,958	31,931	33,772	35,187	36,567	38,287
% Ch	0.3%	1.6%	1.9%	4.0%	3.1%	5.8%	4.2%	3.9%	4.7%
National	37,494	38,214	39,330	41,026	42,444	45,137	46,716	48,429	50,348
% Ch	2.3%	1.9%	2.9%	4.3%	3.5%	6.3%	3.5%	3.7%	4.0%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2006**

**PERSONAL INCOME--CURRENT \$\$**

	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>WAGE AND SALARY PAYMENTS</b>									
Idaho (Millions)	9,295	9,979	10,896	11,701	12,284	13,078	13,936	15,024	16,552
% Ch	9.0%	7.4%	9.2%	7.4%	5.0%	6.5%	6.6%	7.8%	10.2%
National (Billions)	2,980	3,083	3,232	3,419	3,620	3,878	4,183	4,466	4,829
% Ch	5.6%	3.4%	4.8%	5.8%	5.9%	7.1%	7.9%	6.8%	8.1%
<b>FARM PROPRIETORS INCOME</b>									
Idaho (Millions)	642	836	453	515	643	425	607	690	471
% Ch	6.5%	30.2%	-45.8%	13.6%	25.0%	-33.9%	42.8%	13.7%	-31.8%
National (Billions)	35	31	34	23	37	34	29	29	23
% Ch	29.0%	-9.5%	8.7%	-33.2%	64.5%	-8.3%	-14.1%	-2.6%	-20.7%
<b>NONFARM PROPRIETORS INCOME</b>									
Idaho (Millions)	1,769	2,087	2,312	2,229	2,324	2,313	2,480	2,765	2,883
% Ch	21.3%	18.0%	10.8%	-3.6%	4.2%	-0.5%	7.2%	11.5%	4.3%
National (Billions)	393	423	439	469	506	542	598	650	706
% Ch	12.2%	7.5%	4.0%	6.8%	7.8%	7.1%	10.4%	8.6%	8.6%
<b>DIVIDENDS, RENT &amp; INTEREST</b>									
Idaho (Millions)	3,340	3,568	3,957	4,350	4,718	5,068	5,545	5,546	5,909
% Ch	4.1%	6.8%	10.9%	9.9%	8.5%	7.4%	9.4%	0.0%	6.5%
National (Billions)	989	997	1,070	1,139	1,221	1,310	1,421	1,412	1,537
% Ch	-0.3%	0.9%	7.3%	6.4%	7.2%	7.3%	8.4%	-0.6%	8.9%
<b>OTHER LABOR INCOME</b>									
Idaho (Millions)	2,235	2,516	2,729	2,846	2,881	2,929	3,063	3,243	3,549
% Ch	11.2%	12.6%	8.5%	4.3%	1.2%	1.7%	4.6%	5.9%	9.4%
National (Billions)	442	472	493	494	492	498	530	562	610
% Ch	8.7%	6.8%	4.4%	0.1%	-0.2%	1.0%	6.5%	6.2%	8.5%
<b>GOVT. TRANSFERS TO INDIV.</b>									
Idaho (Millions)	2,460	2,645	2,789	3,023	3,319	3,408	3,557	3,776	4,079
% Ch	12.1%	7.5%	5.5%	8.4%	9.8%	2.7%	4.4%	6.1%	8.0%
National (Billions)	749	790	827	877	925	951	979	1,022	1,084
% Ch	12.4%	5.4%	4.7%	6.1%	5.4%	2.8%	2.9%	4.4%	6.1%
<b>CONTRIB. FOR SOCIAL INSUR.</b>									
Idaho (Millions)	1,613	1,767	1,951	2,074	2,134	2,223	2,337	2,480	2,676
% Ch	8.8%	9.5%	10.5%	6.3%	2.9%	4.2%	5.1%	6.1%	7.9%
National (Billions)	228	240	254	264	275	290	307	323	344
% Ch	6.2%	5.0%	6.0%	3.9%	4.1%	5.3%	6.0%	5.3%	6.2%
<b>RESIDENCE ADJUSTMENT</b>									
Idaho (Millions)	192	210	238	281	326	369	437	504	525
% Ch	9.9%	9.5%	13.3%	18.3%	15.9%	13.2%	18.3%	15.4%	4.1%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006



**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2006**

**PERSONAL INCOME--CURRENT \$\$**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>WAGE AND SALARY PAYMENTS</b>									
Idaho (Millions)	16,880	17,256	17,693	18,915	20,364	22,333	23,800	25,299	27,130
% Ch	2.0%	2.2%	2.5%	6.9%	7.7%	9.7%	6.6%	6.3%	7.2%
National (Billions)	4,943	4,981	5,113	5,392	5,665	6,107	6,388	6,717	7,092
% Ch	2.4%	0.8%	2.6%	5.5%	5.1%	7.8%	4.6%	5.2%	5.6%
<b>FARM PROPRIETORS INCOME</b>									
Idaho (Millions)	646	497	338	730	465	525	648	657	666
% Ch	37.1%	-23.0%	-32.0%	115.7%	-36.3%	12.9%	23.4%	1.3%	1.4%
National (Billions)	20	11	29	36	30	20	23	22	20
% Ch	-13.1%	-46.3%	176.4%	23.9%	-16.4%	-32.3%	13.0%	-6.0%	-6.5%
<b>NONFARM PROPRIETORS INCOME</b>									
Idaho (Millions)	3,312	3,290	3,389	3,785	4,211	4,483	4,763	5,120	5,476
% Ch	14.9%	-0.6%	3.0%	11.7%	11.2%	6.5%	6.2%	7.5%	6.9%
National (Billions)	752	758	782	875	940	995	1,044	1,118	1,192
% Ch	6.6%	0.7%	3.2%	11.9%	7.5%	5.8%	5.0%	7.1%	6.6%
<b>DIVIDENDS, RENT &amp; INTEREST</b>									
Idaho (Millions)	6,195	6,051	6,227	7,036	7,344	7,909	8,518	9,250	10,118
% Ch	4.8%	-2.3%	2.9%	13.0%	4.4%	7.7%	7.7%	8.6%	9.4%
National (Billions)	1,547	1,486	1,470	1,555	1,592	1,732	1,850	1,986	2,163
% Ch	0.7%	-4.0%	-1.1%	5.8%	2.4%	8.8%	6.8%	7.4%	8.9%
<b>OTHER LABOR INCOME</b>									
Idaho (Millions)	3,647	4,041	4,260	4,659	5,081	5,508	5,838	6,068	6,369
% Ch	2.8%	10.8%	5.4%	9.4%	9.1%	8.4%	6.0%	3.9%	5.0%
National (Billions)	643	745	816	866	933	993	1,042	1,080	1,120
% Ch	5.4%	15.9%	9.5%	6.2%	7.7%	6.4%	4.9%	3.7%	3.7%
<b>GOVT. TRANSFERS TO INDIV.</b>									
Idaho (Millions)	4,568	4,971	5,256	5,612	6,015	6,410	6,837	7,275	7,735
% Ch	12.0%	8.8%	5.7%	6.8%	7.2%	6.6%	6.7%	6.4%	6.3%
National (Billions)	1,194	1,286	1,351	1,427	1,527	1,607	1,714	1,814	1,918
% Ch	10.1%	7.7%	5.0%	5.6%	7.0%	5.3%	6.7%	5.8%	5.8%
<b>CONTRIB. FOR SOCIAL INSUR.</b>									
Idaho (Millions)	2,724	2,802	3,024	3,223	3,510	3,885	4,102	4,331	4,654
% Ch	1.8%	2.9%	7.9%	6.6%	8.9%	10.7%	5.6%	5.6%	7.5%
National (Billions)	357	365	382	407	432	468	492	517	546
% Ch	3.8%	2.4%	4.6%	6.5%	6.2%	8.3%	5.1%	5.1%	5.6%
<b>RESIDENCE ADJUSTMENT</b>									
Idaho (Millions)	531	544	549	577	614	665	692	716	751
% Ch	1.1%	2.5%	1.0%	5.1%	6.4%	8.2%	4.1%	3.4%	4.9%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2006**

**EMPLOYMENT**

	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	413,477	434,502	460,209	477,044	490,900	507,422	520,477	538,099	558,579
% Ch	4.9%	5.1%	5.9%	3.7%	2.9%	3.4%	2.6%	3.4%	3.8%
National (Thousands)	108,723	110,847	114,282	117,306	119,699	122,767	125,924	128,992	131,792
% Ch	0.3%	2.0%	3.1%	2.6%	2.0%	2.6%	2.6%	2.4%	2.2%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	85,008	90,363	97,411	98,309	102,402	105,505	106,975	108,722	111,884
% Ch	5.1%	6.3%	7.8%	0.9%	4.2%	3.0%	1.4%	1.6%	2.9%
National (Thousands)	22,094	22,221	22,777	23,161	23,412	23,884	24,352	24,467	24,653
% Ch	-2.2%	0.6%	2.5%	1.7%	1.1%	2.0%	2.0%	0.5%	0.8%
<b>MANUFACTURING</b>									
Idaho	59,920	63,131	65,717	65,638	68,313	70,185	71,529	71,213	73,032
% Ch	4.4%	5.4%	4.1%	-0.1%	4.1%	2.7%	1.9%	-0.4%	2.6%
National (Thousands)	16,879	16,857	17,106	17,327	17,317	17,500	17,640	17,404	17,345
% Ch	-1.6%	-0.1%	1.5%	1.3%	-0.1%	1.1%	0.8%	-1.3%	-0.3%
<b>DURABLE MANUFACTURING</b>									
Idaho	32,118	34,785	37,821	39,956	42,447	44,215	45,893	45,698	47,407
% Ch	6.5%	8.3%	8.7%	5.6%	6.2%	4.2%	3.8%	-0.4%	3.7%
National (Thousands)	10,025	9,983	10,214	10,456	10,565	10,785	10,990	10,912	10,956
% Ch	-2.6%	-0.4%	2.3%	2.4%	1.0%	2.1%	1.9%	-0.7%	0.4%
<b>LOGGING &amp; WOOD PRODUCTS</b>									
Idaho	10,460	10,796	11,774	11,864	12,024	11,898	11,464	11,480	11,567
% Ch	7.2%	3.2%	9.1%	0.8%	1.3%	-1.0%	-3.6%	0.1%	0.8%
National (Thousands)	580	605	643	656	663	677	689	701	692
% Ch	0.6%	4.3%	6.2%	2.0%	1.1%	2.1%	1.7%	1.8%	-1.3%
<b>METAL FABRICATION</b>									
Idaho	2,436	2,577	2,958	3,410	3,582	3,793	3,826	3,942	4,030
% Ch	-1.0%	5.8%	14.8%	15.3%	5.0%	5.9%	0.9%	3.0%	2.2%
National (Thousands)	1,497	1,510	1,566	1,624	1,648	1,696	1,739	1,728	1,753
% Ch	-2.9%	0.8%	3.7%	3.7%	1.5%	2.9%	2.6%	-0.6%	1.4%
<b>MACHINERY</b>									
Idaho	2,352	2,613	2,901	3,078	3,189	3,065	3,178	3,039	3,305
% Ch	2.8%	11.1%	11.0%	6.1%	3.6%	-3.9%	3.7%	-4.4%	8.7%
National (Thousands)	1,310	1,329	1,379	1,440	1,466	1,494	1,512	1,466	1,455
% Ch	-2.7%	1.5%	3.8%	4.4%	1.8%	1.9%	1.3%	-3.1%	-0.8%
<b>COMPUTER &amp; ELECTRONICS</b>									
Idaho	11,744	13,169	13,646	14,324	16,280	17,727	19,055	18,406	19,454
% Ch	9.8%	12.1%	3.6%	5.0%	13.7%	8.9%	7.5%	-3.4%	5.7%
National (Thousands)	1,707	1,656	1,651	1,688	1,747	1,803	1,831	1,781	1,820
% Ch	-5.6%	-3.0%	-0.3%	2.3%	3.4%	3.2%	1.5%	-2.7%	2.2%
<b>OTHER DURABLES</b>									
Idaho	5,126	5,630	6,542	7,280	7,373	7,732	8,370	8,831	9,050
% Ch	3.6%	9.8%	16.2%	11.3%	1.3%	4.9%	8.3%	5.5%	2.5%
National (Thousands)	4,931	4,883	4,975	5,047	5,041	5,115	5,218	5,235	5,236
% Ch	-1.9%	-1.0%	1.9%	1.4%	-0.1%	1.5%	2.0%	0.3%	0.0%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2006**

**EMPLOYMENT**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>TOTAL NONFARM EMPLOYMENT</b>									
Idaho	568,030	568,038	572,529	588,040	611,693	637,854	654,594	670,316	687,511
% Ch	1.7%	0.0%	0.8%	2.7%	4.0%	4.3%	2.6%	2.4%	2.6%
National (Thousands)	131,832	130,342	129,993	131,424	133,459	135,300	136,729	138,700	140,856
% Ch	0.0%	-1.1%	-0.3%	1.1%	1.5%	1.4%	1.1%	1.4%	1.6%
<b>GOODS PRODUCING SECTOR</b>									
Idaho	110,224	105,025	102,374	105,437	112,331	121,481	120,639	119,550	119,197
% Ch	-1.5%	-4.7%	-2.5%	3.0%	6.5%	8.1%	-0.7%	-0.9%	-0.3%
National (Thousands)	23,874	22,555	21,811	21,879	22,137	22,394	22,226	22,112	22,173
% Ch	-3.2%	-5.5%	-3.3%	0.3%	1.2%	1.2%	-0.7%	-0.5%	0.3%
<b>MANUFACTURING</b>									
Idaho	70,392	66,804	63,860	63,679	65,041	67,597	67,844	67,584	67,747
% Ch	-3.6%	-5.1%	-4.4%	-0.3%	2.1%	3.9%	0.4%	-0.4%	0.2%
National (Thousands)	16,515	15,327	14,576	14,382	14,298	14,283	14,241	14,106	14,038
% Ch	-4.8%	-7.2%	-4.9%	-1.3%	-0.6%	-0.1%	-0.3%	-0.9%	-0.5%
<b>DURABLE MANUFACTURING</b>									
Idaho	45,098	42,320	39,948	40,548	42,112	44,215	44,301	43,839	43,934
% Ch	-4.9%	-6.2%	-5.6%	1.5%	3.9%	5.0%	0.2%	-1.0%	0.2%
National (Thousands)	10,408	9,553	9,031	8,991	9,019	9,063	9,041	8,963	8,942
% Ch	-5.0%	-8.2%	-5.5%	-0.4%	0.3%	0.5%	-0.2%	-0.9%	-0.2%
<b>LOGGING &amp; WOOD PRODUCTS</b>									
Idaho	9,848	9,552	9,046	9,295	9,619	10,068	9,582	9,216	9,160
% Ch	-14.9%	-3.0%	-5.3%	2.8%	3.5%	4.7%	-4.8%	-3.8%	-0.6%
National (Thousands)	647	625	607	617	619	611	579	562	559
% Ch	-6.5%	-3.4%	-2.9%	1.7%	0.3%	-1.3%	-5.4%	-2.8%	-0.6%
<b>METAL FABRICATION</b>									
Idaho	3,876	3,636	3,537	3,636	3,906	4,275	4,352	4,438	4,505
% Ch	-3.8%	-6.2%	-2.7%	2.8%	7.4%	9.5%	1.8%	2.0%	1.5%
National (Thousands)	1,677	1,548	1,479	1,497	1,519	1,546	1,605	1,633	1,652
% Ch	-4.4%	-7.6%	-4.5%	1.2%	1.5%	1.7%	3.9%	1.7%	1.2%
<b>MACHINERY</b>									
Idaho	3,056	2,832	2,633	2,570	2,607	2,806	2,768	2,679	2,629
% Ch	-7.5%	-7.3%	-7.0%	-2.4%	1.4%	7.7%	-1.4%	-3.2%	-1.9%
National (Thousands)	1,368	1,229	1,149	1,143	1,162	1,185	1,203	1,192	1,173
% Ch	-6.0%	-10.2%	-6.5%	-0.6%	1.6%	2.0%	1.5%	-1.0%	-1.5%
<b>COMPUTER &amp; ELECTRONICS</b>									
Idaho	19,656	17,932	16,296	16,284	16,180	16,606	17,001	16,695	16,467
% Ch	1.0%	-8.8%	-9.1%	-0.1%	-0.6%	2.6%	2.4%	-1.8%	-1.4%
National (Thousands)	1,749	1,507	1,355	1,323	1,320	1,328	1,258	1,182	1,146
% Ch	-3.9%	-13.8%	-10.1%	-2.4%	-0.2%	0.6%	-5.3%	-6.0%	-3.1%
<b>OTHER DURABLES</b>									
Idaho	8,663	8,367	8,437	8,764	9,801	10,458	10,598	10,811	11,173
% Ch	-4.3%	-3.4%	0.8%	3.9%	11.8%	6.7%	1.3%	2.0%	3.3%
National (Thousands)	4,967	4,643	4,441	4,411	4,398	4,392	4,396	4,394	4,412
% Ch	-5.1%	-6.5%	-4.3%	-0.7%	-0.3%	-0.1%	0.1%	0.0%	0.4%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2006**

**EMPLOYMENT**

<b>MANUFACTURING (continued)</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>NONDURABLE MANUFACTURING</b>									
Idaho	27,802	28,346	27,897	25,682	25,866	25,970	25,636	25,515	25,626
% Ch	2.0%	2.0%	-1.6%	-7.9%	0.7%	0.4%	-1.3%	-0.5%	0.4%
National (Thousands)	6,854	6,874	6,892	6,871	6,752	6,715	6,650	6,493	6,388
% Ch	0.1%	0.3%	0.3%	-0.3%	-1.7%	-0.6%	-1.0%	-2.4%	-1.6%
<b>FOOD PROCESSING</b>									
Idaho	17,445	17,856	17,369	16,827	17,119	17,263	16,830	16,705	16,660
% Ch	1.4%	2.4%	-2.7%	-3.1%	1.7%	0.8%	-2.5%	-0.7%	-0.3%
National (Thousands)	1,519	1,535	1,540	1,561	1,562	1,557	1,555	1,550	1,553
% Ch	0.3%	1.1%	0.3%	1.3%	0.1%	-0.3%	-0.1%	-0.3%	0.2%
<b>PRINTING</b>									
Idaho	2,211	2,231	2,241	2,308	2,365	2,326	2,307	2,234	2,339
% Ch	-0.7%	0.9%	0.4%	3.0%	2.5%	-1.6%	-0.8%	-3.2%	4.7%
National (Thousands)	780	785	802	817	816	821	828	814	807
% Ch	-1.5%	0.6%	2.2%	1.9%	-0.2%	0.6%	0.8%	-1.6%	-0.9%
<b>CHEMICALS</b>									
Idaho	4,259	4,210	4,099	2,354	2,330	2,273	2,361	2,314	2,336
% Ch	2.1%	-1.1%	-2.6%	-42.6%	-1.0%	-2.5%	3.9%	-2.0%	1.0%
National (Thousands)	1,029	1,025	1,005	988	985	987	993	983	980
% Ch	0.5%	-0.4%	-2.0%	-1.7%	-0.3%	0.2%	0.6%	-1.0%	-0.2%
<b>OTHER NONDURABLES</b>									
Idaho	3,887	4,049	4,187	4,193	4,051	4,108	4,138	4,262	4,290
% Ch	6.2%	4.2%	3.4%	0.1%	-3.4%	1.4%	0.7%	3.0%	0.7%
National (Thousands)	3,526	3,529	3,545	3,505	3,390	3,350	3,274	3,145	3,048
% Ch	0.3%	0.1%	0.5%	-1.1%	-3.3%	-1.2%	-2.3%	-3.9%	-3.1%
<b>MINING</b>									
Idaho	2,581	2,164	2,367	2,683	2,977	2,996	2,817	2,485	2,347
% Ch	-16.7%	-16.1%	9.4%	13.3%	11.0%	0.6%	-6.0%	-11.8%	-5.5%
National (Thousands)	610	585	576	558	556	571	565	518	520
% Ch	-7.7%	-4.1%	-1.4%	-3.2%	-0.3%	2.7%	-1.1%	-8.4%	0.5%
<b>CONSTRUCTION</b>									
Idaho	22,508	25,068	29,326	29,988	31,112	32,324	32,629	35,024	36,504
% Ch	10.6%	11.4%	17.0%	2.3%	3.7%	3.9%	0.9%	7.3%	4.2%
National (Thousands)	4,605	4,779	5,094	5,276	5,538	5,813	6,147	6,545	6,788
% Ch	-3.7%	3.8%	6.6%	3.6%	5.0%	5.0%	5.8%	6.5%	3.7%
<b>NONGOODS PRODUCING</b>									
Idaho	328,469	344,139	362,799	378,735	388,498	401,917	413,503	429,377	446,696
% Ch	4.9%	4.8%	5.4%	4.4%	2.6%	3.5%	2.9%	3.8%	4.0%
National (Thousands)	86,629	88,626	91,505	94,145	96,287	98,883	101,571	104,525	107,139
% Ch	1.0%	2.3%	3.2%	2.9%	2.3%	2.7%	2.7%	2.9%	2.5%
<b>SERVICES</b>									
Idaho	163,210	173,523	185,543	196,052	202,106	210,034	217,464	227,557	238,281
% Ch	5.0%	6.3%	6.9%	5.7%	3.1%	3.9%	3.5%	4.6%	4.7%
National (Thousands)	49,904	51,520	53,498	55,382	57,094	59,170	61,256	63,350	65,137
% Ch	1.5%	3.2%	3.8%	3.5%	3.1%	3.6%	3.5%	3.4%	2.8%
<b>INFORMATION</b>									
Idaho	7,083	7,195	7,413	7,602	7,699	7,587	8,376	9,274	9,859
% Ch	1.3%	1.6%	3.0%	2.5%	1.3%	-1.5%	10.4%	10.7%	6.3%
National (Thousands)	2,642	2,667	2,739	2,844	2,940	3,084	3,219	3,418	3,629
% Ch	-1.3%	1.0%	2.7%	3.8%	3.4%	4.9%	4.4%	6.2%	6.2%
<b>FINANCIAL ACTIVITIES</b>									
Idaho	22,104	23,257	24,520	25,492	26,833	26,835	24,256	25,306	25,161
% Ch	4.7%	5.2%	5.4%	4.0%	5.3%	0.0%	-9.6%	4.3%	-0.6%
National (Thousands)	6,540	6,708	6,866	6,828	6,969	7,178	7,462	7,646	7,688
% Ch	-0.3%	2.6%	2.4%	-0.6%	2.1%	3.0%	4.0%	2.5%	0.5%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2006**  
**EMPLOYMENT**

<b>MANUFACTURING (continued)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>NONDURABLE MANUFACTURING</b>									
Idaho	25,294	24,484	23,911	23,131	22,929	23,383	23,543	23,746	23,812
% Ch	-1.3%	-3.2%	-2.3%	-3.3%	-0.9%	2.0%	0.7%	0.9%	0.3%
National (Thousands)	6,107	5,774	5,545	5,391	5,280	5,220	5,200	5,143	5,096
% Ch	-4.4%	-5.4%	-4.0%	-2.8%	-2.1%	-1.1%	-0.4%	-1.1%	-0.9%
<b>FOOD PROCESSING</b>									
Idaho	16,521	16,354	15,899	14,998	14,713	14,875	14,934	15,170	15,233
% Ch	-0.8%	-1.0%	-2.8%	-5.7%	-1.9%	1.1%	0.4%	1.6%	0.4%
National (Thousands)	1,550	1,525	1,517	1,494	1,473	1,462	1,483	1,503	1,516
% Ch	-0.2%	-1.6%	-0.5%	-1.5%	-1.5%	-0.7%	1.4%	1.4%	0.9%
<b>PRINTING</b>									
Idaho	2,225	2,033	2,030	1,921	1,900	1,892	1,860	1,841	1,837
% Ch	-4.9%	-8.6%	-0.1%	-5.3%	-1.1%	-0.4%	-1.7%	-1.0%	-0.2%
National (Thousands)	769	707	680	662	648	642	647	641	636
% Ch	-4.7%	-8.1%	-3.7%	-2.6%	-2.2%	-1.0%	0.9%	-1.0%	-0.8%
<b>CHEMICALS</b>									
Idaho	2,324	1,925	1,831	1,878	1,937	2,094	2,145	2,027	1,912
% Ch	-0.5%	-17.2%	-4.9%	2.5%	3.2%	8.1%	2.4%	-5.5%	-5.7%
National (Thousands)	959	927	906	887	879	891	889	879	874
% Ch	-2.2%	-3.3%	-2.3%	-2.1%	-0.9%	1.4%	-0.3%	-1.0%	-0.6%
<b>OTHER NONDURABLES</b>									
Idaho	4,224	4,172	4,151	4,334	4,379	4,522	4,604	4,707	4,831
% Ch	-1.5%	-1.2%	-0.5%	4.4%	1.0%	3.3%	1.8%	2.2%	2.6%
National (Thousands)	2,829	2,616	2,442	2,347	2,280	2,225	2,182	2,120	2,070
% Ch	-7.2%	-7.5%	-6.6%	-3.9%	-2.9%	-2.4%	-1.9%	-2.8%	-2.3%
<b>MINING</b>									
Idaho	1,973	1,758	1,784	1,931	2,160	2,319	2,269	2,148	1,964
% Ch	-15.9%	-10.9%	1.5%	8.2%	11.9%	7.3%	-2.1%	-5.3%	-8.6%
National (Thousands)	532	512	503	523	560	613	632	648	626
% Ch	2.4%	-3.8%	-1.8%	4.0%	7.2%	9.4%	3.1%	2.4%	-3.3%
<b>CONSTRUCTION</b>									
Idaho	37,859	36,464	36,730	39,827	45,130	51,565	50,525	49,817	49,486
% Ch	3.7%	-3.7%	0.7%	8.4%	13.3%	14.3%	-2.0%	-1.4%	-0.7%
National (Thousands)	6,827	6,716	6,732	6,974	7,278	7,498	7,352	7,358	7,508
% Ch	0.6%	-1.6%	0.2%	3.6%	4.4%	3.0%	-1.9%	0.1%	2.0%
<b>NONGOODS PRODUCING</b>									
Idaho	457,807	463,012	470,155	482,603	499,361	516,373	533,955	550,766	568,314
% Ch	2.5%	1.1%	1.5%	2.6%	3.5%	3.4%	3.4%	3.1%	3.2%
National (Thousands)	107,958	107,787	108,182	109,544	111,322	112,906	114,503	116,588	118,683
% Ch	0.8%	-0.2%	0.4%	1.3%	1.6%	1.4%	1.4%	1.8%	1.8%
<b>SERVICES</b>									
Idaho	249,578	253,632	260,018	269,016	280,740	292,590	305,084	316,252	327,675
% Ch	4.7%	1.6%	2.5%	3.5%	4.4%	4.2%	4.3%	3.7%	3.6%
National (Thousands)	65,824	65,600	66,074	67,203	68,515	69,855	71,136	72,648	74,214
% Ch	1.1%	-0.3%	0.7%	1.7%	2.0%	2.0%	1.8%	2.1%	2.2%
<b>INFORMATION</b>									
Idaho	9,596	9,156	9,181	9,935	11,071	10,546	10,690	10,935	11,217
% Ch	-2.7%	-4.6%	0.3%	8.2%	11.4%	-4.7%	1.4%	2.3%	2.6%
National (Thousands)	3,629	3,394	3,188	3,117	3,065	3,058	3,047	3,062	3,105
% Ch	0.0%	-6.5%	-6.1%	-2.2%	-1.7%	-0.2%	-0.4%	0.5%	1.4%
<b>FINANCIAL ACTIVITIES</b>									
Idaho	25,013	25,823	26,944	27,937	29,653	31,851	33,300	34,778	36,203
% Ch	-0.6%	3.2%	4.3%	3.7%	6.1%	7.4%	4.5%	4.4%	4.1%
National (Thousands)	7,808	7,848	7,976	8,030	8,142	8,315	8,337	8,407	8,512
% Ch	1.6%	0.5%	1.6%	0.7%	1.4%	2.1%	0.3%	0.8%	1.3%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2006**  
**EMPLOYMENT**

<b>SERVICES (Continued)</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>									
Idaho	14,055	14,557	15,465	16,508	17,329	17,624	18,159	19,004	19,409
% Ch	4.3%	3.6%	6.2%	6.7%	5.0%	1.7%	3.0%	4.7%	2.1%
National (Thousands)	4,188	4,264	4,390	4,505	4,576	4,647	4,781	4,906	5,013
% Ch	-0.3%	1.8%	2.9%	2.6%	1.6%	1.5%	2.9%	2.6%	2.2%
<b>PROFESSIONAL &amp; BUSINESS</b>									
Idaho	33,756	36,872	39,173	42,480	42,934	47,295	50,766	54,793	60,626
% Ch	3.2%	9.2%	6.2%	8.4%	1.1%	10.2%	7.3%	7.9%	10.6%
National (Thousands)	10,967	11,493	12,171	12,846	13,461	14,333	15,142	15,954	16,670
% Ch	2.3%	4.8%	5.9%	5.6%	4.8%	6.5%	5.6%	5.4%	4.5%
<b>EDUCATION &amp; HEALTH</b>									
Idaho	34,554	36,841	39,048	41,491	44,361	46,347	49,248	50,574	53,018
% Ch	7.8%	6.6%	6.0%	6.3%	6.9%	4.5%	6.3%	2.7%	4.8%
National (Thousands)	11,890	12,303	12,806	13,288	13,683	14,088	14,445	14,795	15,109
% Ch	3.3%	3.5%	4.1%	3.8%	3.0%	3.0%	2.5%	2.4%	2.1%
<b>LEISURE &amp; HOSPITALITY</b>									
Idaho	39,614	41,375	44,569	46,651	47,558	48,839	50,425	51,461	52,565
% Ch	5.8%	4.4%	7.7%	4.7%	1.9%	2.7%	3.2%	2.1%	2.1%
National (Thousands)	9,439	9,733	10,098	10,499	10,774	11,016	11,232	11,544	11,860
% Ch	2.0%	3.1%	3.7%	4.0%	2.6%	2.3%	2.0%	2.8%	2.7%
<b>OTHER SERVICES</b>									
Idaho	12,045	13,426	15,356	15,829	15,393	15,506	16,235	17,144	17,643
% Ch	3.6%	11.5%	14.4%	3.1%	-2.8%	0.7%	4.7%	5.6%	2.9%
National (Thousands)	4,240	4,350	4,429	4,572	4,691	4,825	4,976	5,087	5,168
% Ch	-0.2%	2.6%	1.8%	3.2%	2.6%	2.9%	3.1%	2.2%	1.6%
<b>TRADE</b>									
Idaho	75,916	78,874	83,336	86,215	89,134	91,683	93,772	96,725	100,169
% Ch	4.7%	3.9%	5.7%	3.5%	3.4%	2.9%	2.3%	3.1%	3.6%
National (Thousands)	17,939	18,113	18,733	19,328	19,663	20,053	20,405	20,863	21,212
% Ch	-0.8%	1.0%	3.4%	3.2%	1.7%	2.0%	1.8%	2.2%	1.7%
<b>RETAIL TRADE</b>									
Idaho	54,822	57,743	61,034	63,162	65,408	67,175	69,160	71,418	74,456
% Ch	4.8%	5.3%	5.7%	3.5%	3.6%	2.7%	3.0%	3.3%	4.3%
National (Thousands)	12,829	13,019	13,486	13,895	14,141	14,390	14,610	14,971	15,279
% Ch	-0.5%	1.5%	3.6%	3.0%	1.8%	1.8%	1.5%	2.5%	2.1%
<b>WHOLESALE TRADE</b>									
Idaho	21,094	21,132	22,303	23,053	23,726	24,508	24,612	25,306	25,713
% Ch	4.6%	0.2%	5.5%	3.4%	2.9%	3.3%	0.4%	2.8%	1.6%
National (Thousands)	5,110	5,094	5,247	5,433	5,523	5,663	5,795	5,893	5,933
% Ch	-1.5%	-0.3%	3.0%	3.5%	1.6%	2.6%	2.3%	1.7%	0.7%
<b>STATE &amp; LOCAL GOVERNMENT</b>									
Idaho	75,893	78,166	80,426	83,354	84,359	87,297	89,467	92,261	94,744
% Ch	4.7%	3.0%	2.9%	3.6%	1.2%	3.5%	2.5%	3.1%	2.7%
National (Thousands)	15,218	15,436	15,674	15,931	16,258	16,488	16,653	16,854	17,139
% Ch	2.9%	1.4%	1.5%	1.6%	2.1%	1.4%	1.0%	1.2%	1.7%
<b>EDUCATION</b>									
Idaho	38,516	39,830	40,542	42,571	42,572	44,219	45,412	46,748	47,989
% Ch	2.5%	3.4%	1.8%	5.0%	0.0%	3.9%	2.7%	2.9%	2.7%
<b>NONEDUCATION</b>									
Idaho	37,377	38,336	39,884	40,783	41,787	43,078	44,055	45,513	46,755
% Ch	7.1%	2.6%	4.0%	2.3%	2.5%	3.1%	2.3%	3.3%	2.7%
<b>FEDERAL GOVERNMENT</b>									
Idaho	13,450	13,575	13,493	13,113	12,899	12,904	12,800	12,834	13,502
% Ch	4.3%	0.9%	-0.6%	-2.8%	-1.6%	0.0%	-0.8%	0.3%	5.2%
National (Thousands)	3,112	3,062	3,016	2,947	2,876	2,806	2,771	2,770	2,865
% Ch	0.0%	-1.6%	-1.5%	-2.3%	-2.4%	-2.5%	-1.2%	0.0%	3.4%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2006**  
**EMPLOYMENT**

<b>SERVICES (Continued)</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>									
Idaho	19,156	18,676	18,762	18,945	19,292	20,107	20,613	20,649	20,800
% Ch	-1.3%	-2.5%	0.5%	1.0%	1.8%	4.2%	2.5%	0.2%	0.7%
National (Thousands)	4,973	4,820	4,762	4,811	4,904	4,970	5,042	5,164	5,304
% Ch	-0.8%	-3.1%	-1.2%	1.0%	1.9%	1.3%	1.5%	2.4%	2.7%
<b>PROFESSIONAL &amp; BUSINESS</b>									
Idaho	67,655	69,017	70,003	73,140	76,903	81,997	86,233	90,129	94,238
% Ch	11.6%	2.0%	1.4%	4.5%	5.1%	6.6%	5.2%	4.5%	4.6%
National (Thousands)	16,481	15,977	15,984	16,391	16,876	17,325	17,778	18,554	19,336
% Ch	-1.1%	-3.1%	0.0%	2.5%	3.0%	2.7%	2.6%	4.4%	4.2%
<b>EDUCATION &amp; HEALTH</b>									
Idaho	56,957	59,811	62,553	65,217	67,988	69,474	72,226	74,618	77,306
% Ch	7.4%	5.0%	4.6%	4.3%	4.2%	2.2%	4.0%	3.3%	3.6%
National (Thousands)	15,643	16,201	16,588	16,952	17,342	17,738	18,067	18,328	18,597
% Ch	3.5%	3.6%	2.4%	2.2%	2.3%	2.3%	1.9%	1.4%	1.5%
<b>LEISURE &amp; HOSPITALITY</b>									
Idaho	53,059	53,282	54,407	55,572	57,359	59,697	62,549	64,914	66,851
% Ch	0.9%	0.4%	2.1%	2.1%	3.2%	4.1%	4.8%	3.8%	3.0%
National (Thousands)	12,032	11,989	12,176	12,493	12,799	13,043	13,401	13,648	13,875
% Ch	1.5%	-0.4%	1.6%	2.6%	2.4%	1.9%	2.7%	1.8%	1.7%
<b>OTHER SERVICES</b>									
Idaho	18,143	17,867	18,167	18,270	18,475	18,917	19,473	20,228	21,061
% Ch	2.8%	-1.5%	1.7%	0.6%	1.1%	2.4%	2.9%	3.9%	4.1%
National (Thousands)	5,258	5,372	5,400	5,409	5,387	5,406	5,465	5,485	5,484
% Ch	1.7%	2.2%	0.5%	0.2%	-0.4%	0.3%	1.1%	0.4%	0.0%
<b>TRADE</b>									
Idaho	98,087	97,342	97,116	99,126	103,671	107,095	110,953	115,236	120,017
% Ch	-2.1%	-0.8%	-0.2%	2.1%	4.6%	3.3%	3.6%	3.9%	4.1%
National (Thousands)	21,013	20,679	20,526	20,720	21,002	21,094	21,261	21,635	21,810
% Ch	-0.9%	-1.6%	-0.7%	0.9%	1.4%	0.4%	0.8%	1.8%	0.8%
<b>RETAIL TRADE</b>									
Idaho	72,621	72,395	72,620	73,717	76,792	79,881	82,873	86,222	89,952
% Ch	-2.5%	-0.3%	0.3%	1.5%	4.2%	4.0%	3.7%	4.0%	4.3%
National (Thousands)	15,240	15,025	14,917	15,059	15,254	15,250	15,381	15,703	15,826
% Ch	-0.3%	-1.4%	-0.7%	0.9%	1.3%	0.0%	0.9%	2.1%	0.8%
<b>WHOLESALE TRADE</b>									
Idaho	25,466	24,947	24,497	25,409	26,879	27,213	28,080	29,014	30,066
% Ch	-1.0%	-2.0%	-1.8%	3.7%	5.8%	1.2%	3.2%	3.3%	3.6%
National (Thousands)	5,773	5,653	5,609	5,662	5,748	5,844	5,880	5,932	5,984
% Ch	-2.7%	-2.1%	-0.8%	0.9%	1.5%	1.7%	0.6%	0.9%	0.9%
<b>STATE &amp; LOCAL GOVERNMENT</b>									
Idaho	96,861	98,486	99,397	101,149	101,871	103,656	104,877	106,187	107,424
% Ch	2.2%	1.7%	0.9%	1.8%	0.7%	1.8%	1.2%	1.2%	1.2%
National (Thousands)	18,357	18,743	18,820	18,889	19,081	19,247	19,398	19,597	19,938
% Ch	2.4%	2.1%	0.4%	0.4%	1.0%	0.9%	0.8%	1.0%	1.7%
<b>EDUCATION</b>									
Idaho	49,023	49,656	49,911	50,819	51,310	52,082	52,975	53,899	54,798
% Ch	2.2%	1.3%	0.5%	1.8%	1.0%	1.5%	1.7%	1.7%	1.7%
<b>NONEDUCATION</b>									
Idaho	47,837	48,830	49,486	50,331	50,562	51,574	51,901	52,288	52,626
% Ch	2.3%	2.1%	1.3%	1.7%	0.5%	2.0%	0.6%	0.7%	0.6%
<b>FEDERAL GOVERNMENT</b>									
Idaho	13,280	13,551	13,623	13,311	13,079	13,033	13,042	13,092	13,198
% Ch	-1.6%	2.0%	0.5%	-2.3%	-1.7%	-0.4%	0.1%	0.4%	0.8%
National (Thousands)	2,763	2,766	2,761	2,731	2,725	2,709	2,708	2,709	2,722
% Ch	-3.6%	0.1%	-0.2%	-1.1%	-0.2%	-0.6%	0.0%	0.1%	0.5%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2006**

**MISCELLANEOUS**

	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>									
<b>Gross Domestic Product</b>	86.402	88.391	90.265	92.115	93.859	95.415	96.475	97.868	100.000
% Ch	2.3%	2.3%	2.1%	2.0%	1.9%	1.7%	1.1%	1.4%	2.2%
<b>Consumption Expenditures</b>	85.825	87.804	89.654	91.577	93.547	95.124	95.978	97.575	100.000
% Ch	2.9%	2.3%	2.1%	2.1%	2.2%	1.7%	0.9%	1.7%	2.5%
<b>Durable Goods</b>	106.756	107.841	109.978	110.672	109.507	107.068	104.152	101.626	100.000
% Ch	0.6%	1.0%	2.0%	0.6%	-1.1%	-2.2%	-2.7%	-2.4%	-1.6%
<b>Nondurable Goods</b>	88.105	88.973	89.605	90.629	92.567	93.835	93.821	96.173	100.000
% Ch	1.5%	1.0%	0.7%	1.1%	2.1%	1.4%	0.0%	2.5%	4.0%
<b>Services</b>	80.684	83.345	85.748	88.320	90.844	93.305	95.319	97.393	100.000
% Ch	4.1%	3.3%	2.9%	3.0%	2.9%	2.7%	2.2%	2.2%	2.7%
<b>Consumer Price Index (1982-84=1.000)</b>	1.403	1.445	1.482	1.524	1.569	1.605	1.630	1.666	1.722
% Ch	3.0%	3.0%	2.6%	2.8%	2.9%	2.3%	1.5%	2.2%	3.4%

**SELECTED INTEREST RATES**

<b>Federal Funds</b>	3.5%	3.0%	4.2%	5.8%	5.3%	5.5%	5.4%	5.0%	6.2%
<b>NY Fed Discount</b>	3.3%	3.0%	3.6%	5.2%	5.0%	5.0%	4.9%	4.6%	5.7%
<b>Prime</b>	6.3%	6.0%	7.1%	8.8%	8.3%	8.4%	8.4%	8.0%	9.2%
<b>Existing Home Mortgage</b>	8.1%	7.2%	7.5%	7.8%	7.7%	7.7%	7.1%	7.3%	8.0%
<b>U.S. Govt. 3-Month Bills</b>	3.4%	3.0%	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%	5.8%
<b>U.S. Govt. 6-Month Bills</b>	3.6%	3.1%	4.6%	5.6%	5.1%	5.2%	4.8%	4.7%	5.9%
<b>U.S. Govt. 5-Year Notes</b>	6.2%	5.1%	6.7%	6.4%	6.2%	6.2%	5.2%	5.5%	6.2%
<b>U.S. Govt. 10-Year Notes</b>	7.0%	5.9%	7.1%	6.6%	6.4%	6.4%	5.3%	5.6%	6.0%

**SELECTED US PRODUCTION INDICES**

<b>Wood Products</b>	82.8	83.7	88.7	90.8	93.8	96.6	100.9	105.1	103.6
% Ch	5.5%	1.1%	5.9%	2.4%	3.3%	3.0%	4.4%	4.2%	-1.4%
<b>Computers &amp; Electronic Products</b>	15.5	17.1	20.3	26.4	33.6	45.2	58.3	77.2	102.5
% Ch	12.8%	10.4%	18.7%	29.9%	27.6%	34.6%	28.8%	32.4%	32.8%
<b>Food</b>	85.2	87.5	88.0	90.2	88.4	90.8	94.8	95.8	97.5
% Ch	1.9%	2.7%	0.6%	2.6%	-2.1%	2.8%	4.4%	1.0%	1.7%
<b>Agricultural Chemicals</b>	114.5	115.5	115.3	114.9	117.2	121.6	124.1	111.9	105.6
% Ch	4.2%	0.8%	-0.2%	-0.4%	2.0%	3.7%	2.1%	-9.9%	-5.6%
<b>Metal Ore Mining</b>	120.0	119.2	121.4	122.6	125.3	132.1	131.5	120.7	120.2
% Ch	7.3%	-0.7%	1.9%	1.0%	2.2%	5.5%	-0.4%	-8.3%	-0.4%

**National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006**



**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2006**

**MISCELLANEOUS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>									
<b>Gross Domestic Product</b>	102.402	104.193	106.410	109.429	112.744	116.043	118.569	120.882	123.232
% Ch	2.4%	1.7%	2.1%	2.8%	3.0%	2.9%	2.2%	2.0%	1.9%
<b>Consumption Expenditures</b>	102.094	103.542	105.597	108.373	111.493	114.567	116.757	119.042	121.218
% Ch	2.1%	1.4%	2.0%	2.6%	2.9%	2.8%	1.9%	2.0%	1.8%
<b>Durable Goods</b>	98.114	95.766	92.366	90.845	90.198	89.073	88.454	88.226	87.690
% Ch	-1.9%	-2.4%	-3.6%	-1.6%	-0.7%	-1.2%	-0.7%	-0.3%	-0.6%
<b>Nondurable Goods</b>	101.531	102.089	104.145	107.618	111.531	114.951	115.827	117.583	119.171
% Ch	1.5%	0.5%	2.0%	3.3%	3.6%	3.1%	0.8%	1.5%	1.4%
<b>Services</b>	103.257	106.018	109.379	112.863	116.529	120.506	124.096	127.290	130.466
% Ch	3.3%	2.7%	3.2%	3.2%	3.2%	3.4%	3.0%	2.6%	2.5%
<b>Consumer Price Index (1982-84=100)</b>	1.770	1.799	1.840	1.889	1.953	2.016	2.060	2.102	2.139
% Ch	2.8%	1.6%	2.3%	2.7%	3.4%	3.3%	2.2%	2.0%	1.8%

**SELECTED INTEREST RATES**

<b>Federal Funds</b>	3.9%	1.7%	1.1%	1.3%	3.2%	5.0%	4.8%	4.5%	4.7%
<b>NY Fed Discount</b>	3.4%	1.2%	2.1%	2.3%	4.2%	5.9%	5.8%	5.5%	5.7%
<b>Prime</b>	6.9%	4.7%	4.1%	4.3%	6.2%	8.0%	7.8%	7.5%	7.7%
<b>Existing Home Mortgage</b>	7.0%	6.5%	5.7%	5.7%	5.9%	6.6%	6.5%	6.7%	7.0%
<b>U.S. Govt. 3-Month Bills</b>	3.4%	1.6%	1.0%	1.4%	3.1%	4.7%	4.6%	4.4%	4.6%
<b>U.S. Govt. 6-Month Bills</b>	3.4%	1.7%	1.1%	1.6%	3.4%	4.8%	4.6%	4.5%	4.7%
<b>U.S. Govt. 5-Year Notes</b>	4.6%	3.8%	3.0%	3.4%	4.0%	4.8%	4.6%	4.8%	5.2%
<b>U.S. Govt. 10-Year Notes</b>	5.0%	4.6%	4.0%	4.3%	4.3%	4.8%	4.6%	4.9%	5.4%

**SELECTED US PRODUCTION INDICES**

<b>Wood Products</b>	97.0	100.0	98.8	104.9	107.6	105.8	100.1	98.9	99.3
% Ch	-6.4%	3.1%	-1.2%	6.1%	2.6%	-1.6%	-5.4%	-1.3%	0.5%
<b>Computers &amp; Electronic Products</b>	103.6	100.0	112.6	130.7	156.7	184.0	206.1	227.1	250.9
% Ch	1.1%	-3.5%	12.6%	16.1%	19.9%	17.4%	12.0%	10.2%	10.5%
<b>Food</b>	97.5	100.0	99.6	100.8	103.2	106.7	108.1	110.2	112.3
% Ch	0.1%	2.5%	-0.4%	1.3%	2.3%	3.4%	1.4%	2.0%	1.9%
<b>Agricultural Chemicals</b>	97.2	100.0	103.9	107.1	108.5	114.2	113.7	109.5	107.3
% Ch	-7.9%	2.9%	3.9%	3.0%	1.3%	5.2%	-0.4%	-3.7%	-2.0%
<b>Metal Ore Mining</b>	109.2	100.0	94.3	94.0	100.4	103.5	109.1	112.8	114.8
% Ch	-9.2%	-8.4%	-5.7%	-0.4%	6.8%	3.1%	5.5%	3.4%	1.8%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**DEMOGRAPHICS**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,381.2	1,387.6	1,394.3	1,400.9	1,411.2	1,422.5	1,434.2	1,444.0	1,452.7	1,461.6	1,470.0	1,478.4
% Ch	1.9%	1.9%	2.0%	1.9%	3.0%	3.2%	3.3%	2.8%	2.4%	2.5%	2.3%	2.3%
National (Millions)	293.183	293.907	294.583	295.257	295.930	296.604	297.279	297.950	298.621	299.292	299.960	300.628
% Ch	0.9%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>												
Idaho (Thousands)	22.203	22.409	22.682	22.810	22.870	23.189	23.527	23.789	24.011	24.239	24.448	24.657
% Ch	2.4%	3.8%	5.0%	2.3%	1.0%	5.7%	5.9%	4.5%	3.8%	3.8%	3.5%	3.5%
National (Thousands)	3,915	3,921	3,928	3,935	3,943	3,951	3,959	3,968	3,977	3,986	3,995	4,006
% Ch	0.6%	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	1.1%
<b>DEATHS</b>												
Idaho (Thousands)	10.320	10.125	9.890	9.745	10.114	10.188	10.265	10.331	10.390	10.451	10.508	10.566
% Ch	-5.6%	-7.3%	-9.0%	-5.7%	16.0%	3.0%	3.0%	2.6%	2.3%	2.3%	2.2%	2.2%
National (Thousands)	2,499	2,504	2,510	2,515	2,520	2,525	2,531	2,536	2,540	2,545	2,550	2,556
% Ch	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	1.0%	0.8%	0.6%	0.8%	0.8%	0.9%
<b>NET MIGRATION</b>												
Idaho (Thousands)	12.872	12.920	13.206	13.055	17.250	21.913	26.597	29.664	27.879	25.324	21.876	20.342
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	16,364	17,932	19,008	20,624	23,013	22,798	24,653	22,180	23,068	21,515	21,225	21,466
% Ch	-27.4%	44.2%	26.2%	38.6%	55.0%	-3.7%	36.7%	-34.5%	17.0%	-24.3%	-5.3%	4.6%
National (Millions)	1.918	1.937	1.977	1.965	2.069	2.064	2.101	2.060	2.123	1.873	1.697	1.621
% Ch	-21.1%	4.0%	8.4%	-2.3%	22.7%	-1.0%	7.4%	-7.6%	12.9%	-39.5%	-32.5%	-16.7%
<b>SINGLE UNITS</b>												
Idaho	14,033	15,485	16,448	18,325	20,754	20,328	21,812	20,309	21,126	19,507	19,204	19,442
% Ch	-31.5%	48.2%	27.3%	54.1%	64.5%	-8.0%	32.6%	-24.8%	17.1%	-27.3%	-6.1%	5.1%
National (Millions)	1.558	1.608	1.640	1.611	1.703	1.707	1.748	1.718	1.747	1.530	1.386	1.297
% Ch	-22.0%	13.6%	8.3%	-7.0%	25.1%	0.9%	9.9%	-6.6%	6.9%	-41.2%	-32.6%	-23.4%
<b>MULTIPLE UNITS</b>												
Idaho	2,330	2,447	2,559	2,298	2,259	2,470	2,841	1,871	1,942	2,007	2,022	2,023
% Ch	4.9%	21.7%	19.6%	-35.0%	-6.8%	43.1%	74.9%	-81.2%	16.1%	14.1%	2.9%	0.3%
National (Millions)	0.361	0.329	0.337	0.355	0.365	0.357	0.353	0.342	0.376	0.343	0.311	0.324
% Ch	-17.4%	-30.5%	9.2%	23.2%	12.6%	-9.2%	-3.7%	-12.6%	46.7%	-30.7%	-32.4%	18.4%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	466.5	470.6	475.0	479.8	485.2	490.6	496.4	501.5	506.9	511.9	516.8	521.8
% Ch	3.3%	3.6%	3.8%	4.1%	4.6%	4.5%	4.8%	4.2%	4.4%	4.0%	3.9%	3.9%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**DEMOGRAPHICS**

	Q1	2007 Q2	Q3	Q4	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,486.5	1,494.5	1,502.7	1,510.9	1,519.0	1,526.9	1,534.8	1,542.7	1,558.7	1,567.0	1,575.5	1,584.3
% Ch	2.2%	2.2%	2.2%	2.2%	2.2%	2.1%	2.1%	2.1%	2.1%	2.1%	2.2%	2.3%
National (Millions)	301.295	301.963	302.628	303.287	303.945	304.604	305.260	305.929	307.266	307.932	308.598	309.264
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
<b>BIRTHS</b>												
Idaho (Thousands)	24.852	25.047	25.247	25.448	25.645	25.837	26.026	26.214	26.602	26.806	27.017	27.243
% Ch	3.2%	3.2%	3.2%	3.2%	3.1%	3.0%	3.0%	2.9%	3.0%	3.1%	3.2%	3.4%
National (Thousands)	4,017	4,027	4,038	4,049	4,060	4,071	4,083	4,094	4,117	4,129	4,140	4,151
% Ch	1.1%	1.0%	1.1%	1.1%	1.1%	1.1%	1.2%	1.1%	1.1%	1.2%	1.1%	1.1%
<b>DEATHS</b>												
Idaho (Thousands)	10.622	10.677	10.733	10.790	10.846	10.901	10.956	11.010	11.121	11.178	11.236	11.296
% Ch	2.1%	2.1%	2.1%	2.1%	2.1%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%	2.2%
National (Thousands)	2,561	2,566	2,571	2,576	2,582	2,587	2,592	2,598	2,608	2,614	2,619	2,625
% Ch	0.8%	0.8%	0.8%	0.8%	0.9%	0.8%	0.8%	0.9%	0.8%	0.9%	0.8%	0.9%
<b>NET MIGRATION</b>												
Idaho (Thousands)	19.512	18.552	18.161	17.823	17.710	17.486	17.090	16.605	16.314	16.540	17.000	17.717
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	21,312	21,350	21,159	20,981	20,916	20,746	20,664	20,614	20,524	20,636	20,762	20,916
% Ch	-2.8%	0.7%	-3.5%	-3.3%	-1.2%	-3.2%	-1.6%	-1.0%	-1.4%	2.2%	2.5%	3.0%
National (Millions)	1.604	1.579	1.574	1.620	1.637	1.663	1.685	1.691	1.697	1.705	1.715	1.725
% Ch	-4.3%	-5.9%	-1.4%	12.4%	4.2%	6.4%	5.3%	1.5%	-0.4%	1.8%	2.4%	2.5%
<b>SINGLE UNITS</b>												
Idaho	19,370	19,384	19,232	19,098	19,013	18,884	18,838	18,824	18,816	18,902	18,990	19,091
% Ch	-1.5%	0.3%	-3.1%	-2.8%	-1.8%	-2.7%	-1.0%	-0.3%	-0.4%	1.9%	1.9%	2.2%
National (Millions)	1.267	1.244	1.239	1.282	1.303	1.324	1.338	1.340	1.352	1.364	1.378	1.390
% Ch	-8.8%	-7.0%	-1.6%	14.3%	6.9%	6.6%	4.3%	0.7%	1.8%	3.7%	4.1%	3.5%
<b>MULTIPLE UNITS</b>												
Idaho	1,942	1,965	1,926	1,883	1,904	1,862	1,826	1,790	1,708	1,734	1,773	1,825
% Ch	-15.2%	5.0%	-7.8%	-8.7%	4.4%	-8.4%	-7.6%	-7.5%	-11.4%	6.2%	9.1%	12.4%
National (Millions)	0.336	0.335	0.334	0.339	0.334	0.339	0.346	0.350	0.345	0.340	0.336	0.335
% Ch	15.6%	-1.8%	-0.5%	5.4%	-5.6%	5.7%	9.4%	4.8%	-8.3%	-5.4%	-4.3%	-1.4%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	526.8	531.7	536.6	541.4	546.3	551.0	555.8	560.5	570.0	574.7	579.4	584.2
% Ch	3.8%	3.8%	3.7%	3.7%	3.6%	3.5%	3.5%	3.5%	3.4%	3.4%	3.4%	3.4%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**OUTPUT, INCOME, & WAGES**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	11,431	11,649	11,799	11,970	12,173	12,346	12,574	12,731	13,008	13,197	13,317	13,447
% Ch	7.8%	7.9%	5.3%	5.9%	7.0%	5.8%	7.6%	5.1%	9.0%	5.9%	3.7%	4.0%
2000 Chain-Weighted	10,566	10,672	10,753	10,823	10,914	11,002	11,115	11,164	11,316	11,388	11,435	11,509
% Ch	3.8%	4.0%	3.1%	2.6%	3.4%	3.3%	4.2%	1.8%	5.6%	2.6%	1.7%	2.6%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	36,885	37,849	38,352	39,274	39,687	40,127	40,912	41,608	42,861	43,587	44,322	45,026
% Ch	20.1%	10.9%	5.4%	10.0%	4.3%	4.5%	8.1%	7.0%	12.6%	6.9%	6.9%	6.5%
Idaho Nonfarm (Millions)	35,701	36,619	37,248	38,200	38,554	39,185	39,949	40,667	41,893	42,671	43,272	43,940
% Ch	14.0%	10.7%	7.0%	10.6%	3.8%	6.7%	8.0%	7.4%	12.6%	7.6%	5.8%	6.3%
National (Billions)	9,498	9,641	9,768	10,019	10,049	10,162	10,263	10,484	10,721	10,901	11,058	11,185
% Ch	6.9%	6.2%	5.4%	10.7%	1.2%	4.6%	4.0%	8.9%	9.4%	6.9%	5.9%	4.7%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	34,407	34,995	35,296	35,875	36,049	36,170	36,507	36,863	37,781	38,043	38,471	39,140
% Ch	15.9%	7.0%	3.5%	6.7%	2.0%	1.3%	3.8%	4.0%	10.3%	2.8%	4.6%	7.1%
Idaho Nonfarm (Millions)	33,303	33,858	34,280	34,893	35,020	35,321	35,648	36,029	36,928	37,244	37,559	38,196
% Ch	9.9%	6.8%	5.1%	7.4%	1.5%	3.5%	3.8%	4.3%	10.4%	3.5%	3.4%	7.0%
National (Billions)	8,860	8,914	8,990	9,152	9,128	9,159	9,158	9,288	9,451	9,514	9,598	9,723
% Ch	3.1%	2.5%	3.5%	7.4%	-1.1%	1.4%	-0.1%	5.8%	7.2%	2.7%	3.6%	5.3%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	26,705	27,277	27,506	28,036	28,123	28,209	28,526	28,815	29,504	29,822	30,151	30,456
% Ch	17.9%	8.9%	3.4%	7.9%	1.2%	1.2%	4.6%	4.1%	9.9%	4.4%	4.5%	4.1%
National	32,395	32,801	33,158	33,935	33,957	34,259	34,522	35,186	35,903	36,423	36,864	37,204
% Ch	6.0%	5.1%	4.4%	9.7%	0.3%	3.6%	3.1%	7.9%	8.4%	5.9%	4.9%	3.7%
<b>PER CAPITA PERS INC - 2000 \$</b>												
Idaho	24,911	25,221	25,314	25,609	25,545	25,427	25,455	25,529	26,007	26,028	26,171	26,474
% Ch	13.7%	5.1%	1.5%	4.7%	-1.0%	-1.8%	0.4%	1.2%	7.7%	0.3%	2.2%	4.7%
National	30,219	30,328	30,516	30,997	30,844	30,881	30,805	31,173	31,648	31,790	31,997	32,341
% Ch	2.2%	1.5%	2.5%	6.5%	-2.0%	0.5%	-1.0%	4.9%	6.2%	1.8%	2.6%	4.4%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	30,422	30,847	31,139	31,422	31,405	31,712	32,134	32,473	33,254	33,742	33,875	34,219
% Ch	6.3%	5.7%	3.8%	3.7%	-0.2%	4.0%	5.4%	4.3%	10.0%	6.0%	1.6%	4.1%
National	40,437	40,750	41,284	41,634	41,868	42,042	42,731	43,135	44,314	45,003	45,435	45,794
% Ch	4.2%	3.1%	5.3%	3.4%	2.3%	1.7%	6.7%	3.8%	11.4%	6.4%	3.9%	3.2%

**National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**OUTPUT, INCOME, & WAGES**

	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	13,622	13,775	13,926	14,081	14,282	14,487	14,694	14,885	15,270	15,457	15,650	15,852
% Ch	5.3%	4.6%	4.5%	4.5%	5.8%	5.9%	5.9%	5.3%	5.0%	5.0%	5.1%	5.2%
2000 Chain-Weighted	11,574	11,641	11,716	11,793	11,899	12,011	12,126	12,230	12,418	12,514	12,615	12,715
% Ch	2.3%	2.4%	2.6%	2.7%	3.6%	3.8%	3.9%	3.5%	3.0%	3.1%	3.3%	3.2%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	45,864	46,654	47,381	48,082	48,838	49,677	50,448	51,251	53,126	54,065	55,013	56,299
% Ch	7.7%	7.1%	6.4%	6.1%	6.4%	7.1%	6.4%	6.5%	7.6%	7.3%	7.2%	9.7%
Idaho Nonfarm (Millions)	44,792	45,574	46,290	47,043	47,774	48,577	49,340	50,176	52,030	52,957	53,892	54,927
% Ch	8.0%	7.2%	6.4%	6.7%	6.4%	6.9%	6.4%	7.0%	7.6%	7.3%	7.3%	7.9%
National (Billions)	11,343	11,479	11,613	11,754	11,923	12,108	12,288	12,470	12,843	13,024	13,210	13,401
% Ch	5.8%	4.9%	4.8%	4.9%	5.9%	6.3%	6.1%	6.1%	5.9%	5.8%	5.8%	5.9%
<b>PERSONAL INCOME - 2000 \$</b>												
Idaho (Millions)	39,586	40,063	40,469	40,872	41,304	41,823	42,279	42,769	43,924	44,503	45,089	45,933
% Ch	4.6%	4.9%	4.1%	4.0%	4.3%	5.1%	4.4%	4.7%	5.7%	5.4%	5.4%	7.7%
Idaho Nonfarm (Millions)	38,661	39,136	39,538	39,988	40,404	40,898	41,351	41,872	43,018	43,591	44,170	44,813
% Ch	5.0%	5.0%	4.2%	4.6%	4.2%	5.0%	4.5%	5.1%	5.7%	5.4%	5.4%	6.0%
National (Billions)	9,790	9,857	9,919	9,991	10,084	10,194	10,298	10,406	10,618	10,721	10,827	10,934
% Ch	2.8%	2.8%	2.5%	2.9%	3.8%	4.4%	4.2%	4.3%	4.1%	3.9%	4.0%	4.0%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	30,855	31,217	31,531	31,824	32,152	32,534	32,868	33,221	34,083	34,502	34,918	35,535
% Ch	5.3%	4.8%	4.1%	3.8%	4.2%	4.8%	4.2%	4.4%	5.4%	5.0%	4.9%	7.3%
National	37,647	38,015	38,375	38,756	39,228	39,749	40,253	40,760	41,797	42,296	42,806	43,333
% Ch	4.8%	4.0%	3.8%	4.0%	5.0%	5.4%	5.2%	5.1%	5.0%	4.9%	4.9%	5.0%
<b>PER CAPITA PERS INC - 2000 \$</b>												
Idaho	26,631	26,807	26,932	27,052	27,192	27,390	27,546	27,724	28,179	28,400	28,619	28,992
% Ch	2.4%	2.7%	1.9%	1.8%	2.1%	2.9%	2.3%	2.6%	3.6%	3.2%	3.1%	5.3%
National	32,494	32,645	32,778	32,944	33,177	33,465	33,735	34,015	34,557	34,815	35,084	35,354
% Ch	1.9%	1.9%	1.6%	2.0%	2.9%	3.5%	3.3%	3.4%	3.2%	3.0%	3.1%	3.1%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	34,643	35,023	35,371	35,712	36,064	36,395	36,711	37,097	38,090	38,532	38,923	39,387
% Ch	5.0%	4.5%	4.0%	3.9%	4.0%	3.7%	3.5%	4.3%	5.3%	4.7%	4.1%	4.9%
National	46,181	46,516	46,893	47,272	47,759	48,209	48,647	49,100	50,112	50,591	51,065	51,600
% Ch	3.4%	2.9%	3.3%	3.3%	4.2%	3.8%	3.7%	3.8%	4.0%	3.9%	3.8%	4.3%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**PERSONAL INCOME -- CURR \$\$**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	18,309	18,808	19,102	19,441	19,798	20,088	20,589	20,981	21,839	22,293	22,425	22,777
% Ch	8.8%	11.4%	6.4%	7.3%	7.6%	6.0%	10.4%	7.8%	17.4%	8.6%	2.4%	6.4%
National (Billions)	5,280	5,350	5,433	5,506	5,556	5,601	5,715	5,787	5,970	6,081	6,157	6,221
% Ch	5.4%	5.4%	6.4%	5.5%	3.7%	3.3%	8.4%	5.1%	13.3%	7.7%	5.0%	4.3%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	789	818	676	636	609	413	430	408	431	375	628	666
% Ch	5455.4%	15.5%	-53.4%	-21.6%	-15.9%	-78.8%	17.5%	-18.9%	24.5%	-42.7%	688.4%	26.6%
National (Billions)	38	40	33	34	34	29	30	29	24	18	19	22
% Ch	88.9%	15.5%	-51.9%	18.1%	-4.6%	-48.6%	14.7%	-12.8%	-51.9%	-71.3%	26.7%	95.0%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	3,629	3,758	3,842	3,911	4,068	4,163	4,295	4,316	4,407	4,449	4,496	4,580
% Ch	17.9%	15.0%	9.2%	7.4%	17.1%	9.7%	13.3%	2.0%	8.7%	3.9%	4.3%	7.7%
National (Billions)	839	871	882	907	919	937	938	968	984	994	994	1,008
% Ch	16.3%	15.7%	5.4%	11.9%	5.2%	8.2%	0.3%	13.6%	6.9%	4.1%	-0.3%	5.7%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	6,754	6,892	7,047	7,452	7,164	7,269	7,369	7,575	7,670	7,844	8,003	8,121
% Ch	26.0%	8.4%	9.3%	25.0%	-14.6%	6.0%	5.6%	11.7%	5.1%	9.4%	8.4%	6.0%
National (Billions)	1,506	1,522	1,528	1,663	1,583	1,603	1,521	1,662	1,679	1,719	1,753	1,777
% Ch	4.3%	4.2%	1.7%	40.2%	-18.0%	5.3%	-19.0%	42.4%	4.3%	9.9%	8.1%	5.6%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	4,484	4,619	4,715	4,816	4,944	5,026	5,125	5,230	5,380	5,473	5,551	5,630
% Ch	14.6%	12.6%	8.6%	8.8%	11.1%	6.8%	8.1%	8.5%	12.0%	7.1%	5.8%	5.8%
National (Billions)	846	858	872	888	910	925	942	956	972	986	1,000	1,013
% Ch	5.6%	5.8%	6.4%	7.8%	10.0%	6.7%	7.7%	6.1%	6.6%	5.9%	6.0%	5.3%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	5,499	5,583	5,632	5,732	5,921	6,028	6,029	6,081	6,282	6,364	6,468	6,526
% Ch	13.6%	6.3%	3.6%	7.3%	13.9%	7.4%	0.1%	3.5%	13.9%	5.3%	6.7%	3.6%
National (Billions)	1,399	1,417	1,442	1,448	1,487	1,510	1,569	1,540	1,570	1,590	1,628	1,641
% Ch	9.6%	5.1%	7.2%	1.9%	11.2%	6.3%	16.5%	-7.2%	8.2%	5.0%	10.0%	3.3%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	3,140	3,206	3,246	3,300	3,411	3,465	3,550	3,613	3,800	3,875	3,918	3,948
% Ch	12.2%	8.7%	5.1%	6.8%	14.1%	6.5%	10.2%	7.3%	22.4%	8.1%	4.5%	3.1%
National (Billions)	399	404	410	415	424	428	436	441	459	466	472	476
% Ch	11.0%	4.5%	6.0%	5.5%	8.7%	3.5%	8.2%	4.7%	16.7%	6.8%	4.6%	4.0%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	561	579	583	586	595	606	625	631	651	665	669	674
% Ch	7.5%	13.5%	2.8%	2.1%	6.3%	7.6%	13.1%	3.9%	13.3%	8.9%	2.4%	3.1%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**PERSONAL INCOME -- CURR \$\$**

	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	23,212	23,619	23,997	24,373	24,749	25,112	25,464	25,871	26,893	27,388	27,859	28,446
% Ch	7.9%	7.2%	6.6%	6.4%	6.3%	6.0%	5.7%	6.5%	8.0%	7.6%	7.1%	8.7%
National (Billions)	6,288	6,351	6,419	6,492	6,582	6,671	6,762	6,854	7,046	7,138	7,231	7,331
% Ch	4.4%	4.0%	4.4%	4.6%	5.7%	5.5%	5.6%	5.6%	5.4%	5.3%	5.3%	5.7%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	653	657	666	615	638	669	676	644	663	673	686	936
% Ch	-7.6%	2.5%	5.5%	-27.3%	15.4%	21.4%	4.1%	-17.6%	12.7%	6.6%	7.8%	246.4%
National (Billions)	23	24	24	21	21	22	23	21	20	21	21	22
% Ch	30.1%	3.5%	8.1%	-38.0%	-9.7%	33.7%	5.0%	-25.8%	17.4%	8.4%	9.9%	7.8%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	4,657	4,726	4,796	4,873	4,974	5,077	5,173	5,257	5,437	5,516	5,601	5,689
% Ch	6.9%	6.1%	6.1%	6.6%	8.6%	8.5%	7.8%	6.7%	6.8%	5.9%	6.3%	6.4%
National (Billions)	1,023	1,037	1,051	1,066	1,088	1,109	1,129	1,147	1,184	1,200	1,217	1,235
% Ch	6.3%	5.5%	5.5%	6.1%	8.2%	8.2%	7.4%	6.3%	6.4%	5.5%	6.0%	6.1%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	8,287	8,444	8,590	8,750	8,926	9,143	9,357	9,574	10,006	10,231	10,449	10,668
% Ch	8.5%	7.8%	7.1%	7.6%	8.3%	10.0%	9.7%	9.6%	9.4%	9.3%	8.8%	8.6%
National (Billions)	1,808	1,838	1,864	1,891	1,923	1,964	2,007	2,052	2,141	2,186	2,228	2,268
% Ch	7.2%	6.8%	5.6%	6.0%	6.9%	9.0%	9.0%	9.2%	9.0%	8.6%	7.9%	7.4%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	5,719	5,815	5,879	5,941	5,986	6,046	6,089	6,149	6,328	6,417	6,503	6,618
% Ch	6.5%	6.9%	4.4%	4.3%	3.1%	4.1%	2.9%	4.0%	6.5%	5.7%	5.5%	7.3%
National (Billions)	1,025	1,038	1,047	1,058	1,065	1,076	1,084	1,094	1,115	1,125	1,136	1,149
% Ch	4.6%	5.2%	3.8%	4.0%	2.9%	4.1%	3.2%	3.4%	4.3%	3.8%	4.0%	4.5%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	6,703	6,790	6,883	6,974	7,115	7,224	7,325	7,435	7,674	7,780	7,901	8,067
% Ch	11.3%	5.3%	5.6%	5.4%	8.4%	6.3%	5.7%	6.1%	4.8%	5.7%	6.3%	8.7%
National (Billions)	1,684	1,704	1,725	1,745	1,778	1,803	1,826	1,851	1,905	1,929	1,955	1,992
% Ch	10.8%	4.8%	5.0%	4.8%	7.7%	5.7%	5.2%	5.6%	4.3%	5.0%	5.6%	7.7%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	4,049	4,087	4,126	4,144	4,257	4,307	4,356	4,404	4,621	4,696	4,752	4,905
% Ch	10.7%	3.8%	3.8%	1.7%	11.4%	4.8%	4.6%	4.6%	6.8%	6.7%	4.8%	13.5%
National (Billions)	487	490	494	497	509	514	520	524	543	549	553	566
% Ch	9.1%	2.7%	3.6%	1.9%	10.4%	4.2%	4.3%	3.5%	4.1%	4.3%	2.9%	10.0%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	682	689	695	701	707	713	718	725	746	756	766	779
% Ch	4.9%	4.2%	3.6%	3.5%	3.5%	3.2%	2.9%	4.0%	5.9%	5.5%	5.0%	7.1%

**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**OCTOBER 2006**

**EMPLOYMENT**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	579,254	586,923	590,443	595,538	603,947	607,317	614,864	620,643	631,807	636,219	639,735	643,655
% Ch	2.1%	5.4%	2.4%	3.5%	5.8%	2.3%	5.1%	3.8%	7.4%	2.8%	2.2%	2.5%
National (Thousands)	130,572	131,277	131,602	132,244	132,694	133,230	133,750	134,161	134,722	135,128	135,501	135,848
% Ch	1.2%	2.2%	1.0%	2.0%	1.4%	1.6%	1.6%	1.2%	1.7%	1.2%	1.1%	1.0%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	103,256	105,348	105,641	107,503	110,206	111,115	112,683	115,322	120,418	121,999	121,895	121,613
% Ch	3.4%	8.4%	1.1%	7.2%	10.4%	3.3%	5.8%	9.7%	18.9%	5.4%	-0.3%	-0.9%
National (Thousands)	21,727	21,858	21,932	22,000	22,039	22,126	22,140	22,242	22,363	22,420	22,429	22,362
% Ch	0.8%	2.4%	1.4%	1.3%	0.7%	1.6%	0.2%	1.9%	2.2%	1.0%	0.2%	-1.2%
<b>MANUFACTURING</b>												
Idaho	63,071	63,789	63,594	64,262	64,773	64,763	64,997	65,631	67,000	67,542	67,856	67,992
% Ch	0.3%	4.6%	-1.2%	4.3%	3.2%	-0.1%	1.5%	4.0%	8.6%	3.3%	1.9%	0.8%
National (Thousands)	14,354	14,399	14,403	14,374	14,338	14,311	14,271	14,273	14,288	14,309	14,289	14,244
% Ch	-0.8%	1.3%	0.1%	-0.8%	-1.0%	-0.7%	-1.1%	0.0%	0.4%	0.6%	-0.6%	-1.3%
<b>DURABLE MANUFACTURING</b>												
Idaho	39,897	40,671	40,682	40,943	41,549	41,934	42,221	42,744	43,808	44,081	44,409	44,561
% Ch	2.5%	8.0%	0.1%	2.6%	6.1%	3.8%	2.8%	5.0%	10.3%	2.5%	3.0%	1.4%
National (Thousands)	8,933	8,988	9,020	9,024	9,022	9,023	9,006	9,023	9,046	9,085	9,070	9,051
% Ch	0.4%	2.5%	1.4%	0.2%	-0.1%	0.0%	-0.7%	0.7%	1.0%	1.7%	-0.6%	-0.8%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	9,216	9,349	9,324	9,290	9,446	9,606	9,638	9,787	10,045	10,141	10,049	10,038
% Ch	5.9%	5.9%	-1.1%	-1.5%	6.9%	7.0%	1.3%	6.3%	11.0%	3.9%	-3.6%	-0.4%
National (Thousands)	611	618	619	623	625	618	616	618	621	617	609	598
% Ch	0.8%	4.7%	0.7%	2.9%	1.2%	-4.3%	-1.1%	0.7%	2.5%	-2.5%	-5.3%	-7.3%
<b>METAL FABRICATION</b>												
Idaho	3,578	3,643	3,682	3,642	3,780	3,807	3,921	4,114	4,239	4,251	4,285	4,327
% Ch	6.0%	7.5%	4.4%	-4.3%	16.0%	2.9%	12.6%	21.2%	12.7%	1.1%	3.3%	3.9%
National (Thousands)	1,478	1,494	1,505	1,510	1,513	1,518	1,522	1,524	1,531	1,541	1,552	1,558
% Ch	2.6%	4.6%	2.8%	1.4%	0.9%	1.3%	0.9%	0.6%	1.9%	2.6%	3.0%	1.6%
<b>MACHINERY</b>												
Idaho	2,548	2,573	2,575	2,584	2,597	2,576	2,597	2,656	2,786	2,776	2,826	2,838
% Ch	-5.0%	4.0%	0.4%	1.3%	2.1%	-3.2%	3.3%	9.3%	21.1%	-1.5%	7.4%	1.8%
National (Thousands)	1,131	1,141	1,150	1,150	1,153	1,161	1,164	1,169	1,168	1,180	1,195	1,198
% Ch	-0.5%	3.7%	3.4%	-0.1%	0.9%	2.7%	1.2%	1.5%	-0.3%	4.1%	5.2%	1.2%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	16,142	16,422	16,240	16,332	16,348	16,340	16,076	15,957	16,422	16,493	16,681	16,829
% Ch	1.9%	7.1%	-4.4%	2.3%	0.4%	-0.2%	-6.3%	-2.9%	12.2%	1.7%	4.6%	3.6%
National (Thousands)	1,319	1,324	1,328	1,320	1,317	1,319	1,323	1,323	1,320	1,330	1,331	1,332
% Ch	-1.0%	1.4%	1.4%	-2.4%	-1.0%	0.8%	1.2%	-0.2%	-0.7%	3.0%	0.2%	0.3%
<b>OTHER DURABLES</b>												
Idaho	8,414	8,684	8,861	9,096	9,379	9,605	9,989	10,230	10,316	10,420	10,568	10,529
% Ch	1.1%	13.5%	8.4%	11.0%	13.0%	10.0%	17.0%	10.0%	3.4%	4.1%	5.8%	-1.5%
National (Thousands)	4,395	4,412	4,418	4,421	4,415	4,407	4,381	4,390	4,405	4,417	4,383	4,365
% Ch	0.3%	1.5%	0.5%	0.3%	-0.6%	-0.7%	-2.3%	0.8%	1.4%	1.1%	-3.0%	-1.7%

National Variables Forecast by Global Insight  
Forecast Begins the **THIRD** Quarter of 2006



**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**EMPLOYMENT**

	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	648,128	652,570	656,735	660,945	664,617	668,391	672,155	676,101	684,909	689,841	694,977	701,372
% Ch	2.8%	2.8%	2.6%	2.6%	2.2%	2.3%	2.3%	2.4%	2.7%	2.9%	3.0%	3.7%
National (Thousands)	136,162	136,529	136,893	137,331	137,814	138,379	139,005	139,603	140,607	141,096	141,598	142,072
% Ch	0.9%	1.1%	1.1%	1.3%	1.4%	1.6%	1.8%	1.7%	1.4%	1.4%	1.4%	1.3%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	121,220	120,808	120,405	120,123	119,880	119,628	119,445	119,245	119,108	119,213	119,336	119,555
% Ch	-1.3%	-1.4%	-1.3%	-0.9%	-0.8%	-0.8%	-0.6%	-0.7%	-0.1%	0.4%	0.4%	0.7%
National (Thousands)	22,321	22,204	22,173	22,205	22,163	22,109	22,094	22,081	22,150	22,196	22,234	22,257
% Ch	-0.7%	-2.1%	-0.6%	0.6%	-0.7%	-1.0%	-0.3%	-0.2%	0.7%	0.8%	0.7%	0.4%
<b>MANUFACTURING</b>												
Idaho	67,960	67,916	67,769	67,732	67,645	67,575	67,577	67,541	67,656	67,818	67,951	68,137
% Ch	-0.2%	-0.3%	-0.9%	-0.2%	-0.5%	-0.4%	0.0%	-0.2%	0.6%	1.0%	0.8%	1.1%
National (Thousands)	14,277	14,214	14,228	14,244	14,190	14,123	14,072	14,040	14,044	14,039	14,029	14,016
% Ch	0.9%	-1.8%	0.4%	0.5%	-1.5%	-1.9%	-1.4%	-0.9%	0.1%	-0.1%	-0.3%	-0.4%
<b>DURABLE MANUFACTURING</b>												
Idaho	44,484	44,409	44,216	44,097	43,950	43,833	43,809	43,763	43,857	44,000	44,107	44,263
% Ch	-0.7%	-0.7%	-1.7%	-1.1%	-1.3%	-1.1%	-0.2%	-0.4%	0.8%	1.3%	1.0%	1.4%
National (Thousands)	9,071	9,011	9,027	9,054	9,020	8,974	8,939	8,920	8,944	8,948	8,949	8,944
% Ch	0.9%	-2.7%	0.8%	1.2%	-1.5%	-2.1%	-1.5%	-0.9%	0.7%	0.2%	0.1%	-0.2%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	9,871	9,648	9,470	9,341	9,249	9,209	9,207	9,197	9,157	9,166	9,138	9,154
% Ch	-6.5%	-8.7%	-7.2%	-5.3%	-3.9%	-1.7%	-0.1%	-0.5%	-1.0%	0.4%	-1.2%	0.7%
National (Thousands)	590	580	574	570	566	563	561	560	560	559	558	559
% Ch	-4.9%	-6.6%	-4.1%	-2.8%	-3.0%	-2.0%	-1.1%	-0.9%	0.2%	-0.8%	-0.5%	0.8%
<b>METAL FABRICATION</b>												
Idaho	4,338	4,342	4,353	4,374	4,400	4,426	4,451	4,474	4,506	4,509	4,509	4,509
% Ch	1.1%	0.3%	1.0%	2.0%	2.4%	2.4%	2.3%	2.1%	1.0%	0.3%	0.0%	-0.1%
National (Thousands)	1,587	1,596	1,612	1,626	1,629	1,631	1,633	1,638	1,652	1,655	1,656	1,654
% Ch	7.6%	2.2%	4.1%	3.6%	0.7%	0.3%	0.7%	1.1%	1.5%	0.7%	0.4%	-0.5%
<b>MACHINERY</b>												
Idaho	2,811	2,780	2,752	2,729	2,709	2,687	2,667	2,651	2,632	2,627	2,618	2,604
% Ch	-3.8%	-4.4%	-3.9%	-3.3%	-3.0%	-3.1%	-2.9%	-2.4%	-1.1%	-0.8%	-1.4%	-2.0%
National (Thousands)	1,205	1,196	1,202	1,210	1,205	1,195	1,186	1,180	1,175	1,173	1,169	1,165
% Ch	2.2%	-3.0%	2.1%	2.9%	-1.7%	-3.3%	-3.0%	-2.2%	-0.6%	-0.8%	-1.3%	-1.4%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	16,952	17,094	17,019	16,939	16,843	16,733	16,660	16,546	16,447	16,459	16,497	16,566
% Ch	3.0%	3.4%	-1.8%	-1.8%	-2.3%	-2.6%	-1.7%	-2.7%	-0.4%	0.3%	0.9%	1.7%
National (Thousands)	1,303	1,264	1,241	1,224	1,207	1,189	1,174	1,160	1,148	1,142	1,141	1,139
% Ch	-8.5%	-11.3%	-7.2%	-5.3%	-5.6%	-5.7%	-5.0%	-4.7%	-1.7%	-1.9%	-0.7%	-0.7%
<b>OTHER DURABLES</b>												
Idaho	10,512	10,544	10,622	10,714	10,749	10,778	10,823	10,895	11,115	11,239	11,345	11,430
% Ch	-0.6%	1.2%	3.0%	3.5%	1.3%	1.1%	1.7%	2.7%	4.5%	4.5%	3.8%	3.0%
National (Thousands)	4,387	4,375	4,399	4,424	4,413	4,396	4,384	4,382	4,409	4,419	4,425	4,427
% Ch	2.0%	-1.1%	2.2%	2.3%	-0.9%	-1.6%	-1.0%	-0.2%	1.4%	0.9%	0.6%	0.2%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**OCTOBER 2006**  
**EMPLOYMENT**

**MANUFACTURING (continued)**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	23,174	23,118	22,912	23,319	23,224	22,829	22,775	22,887	23,192	23,461	23,447	23,432
% Ch	-3.5%	-1.0%	-3.5%	7.3%	-1.6%	-6.6%	-0.9%	2.0%	5.4%	4.7%	-0.2%	-0.3%
National (Thousands)	5,421	5,410	5,384	5,350	5,316	5,288	5,265	5,250	5,243	5,224	5,219	5,193
% Ch	-2.7%	-0.8%	-2.0%	-2.5%	-2.5%	-2.1%	-1.7%	-1.1%	-0.6%	-1.4%	-0.4%	-2.0%
<b>FOOD PROCESSING</b>												
Idaho	15,181	15,027	14,738	15,045	14,982	14,664	14,610	14,596	14,723	14,952	14,943	14,883
% Ch	-8.8%	-4.0%	-7.5%	8.6%	-1.7%	-8.2%	-1.5%	-0.4%	3.5%	6.4%	-0.2%	-1.6%
National (Thousands)	1,498	1,497	1,494	1,488	1,483	1,476	1,468	1,463	1,462	1,463	1,464	1,457
% Ch	-3.7%	-0.3%	-0.8%	-1.6%	-1.3%	-2.0%	-2.0%	-1.4%	-0.3%	0.3%	0.3%	-2.2%
<b>PRINTING</b>												
Idaho	1,911	1,911	1,943	1,922	1,911	1,892	1,896	1,900	1,876	1,901	1,897	1,893
% Ch	-3.9%	0.1%	6.8%	-4.2%	-2.3%	-3.9%	1.0%	0.9%	-5.0%	5.4%	-0.8%	-1.0%
National (Thousands)	668	665	661	656	652	650	646	645	644	642	641	640
% Ch	-3.2%	-1.5%	-2.4%	-3.2%	-2.4%	-1.4%	-2.1%	-0.9%	-0.5%	-1.2%	-0.5%	-0.7%
<b>CHEMICALS</b>												
Idaho	1,838	1,878	1,896	1,898	1,944	1,923	1,947	1,934	2,098	2,089	2,085	2,103
% Ch	4.0%	9.1%	3.9%	0.2%	10.2%	-4.2%	5.0%	-2.7%	38.5%	-1.7%	-0.8%	3.7%
National (Thousands)	890	890	886	882	877	878	879	882	886	889	898	893
% Ch	-1.2%	-0.2%	-1.7%	-1.7%	-2.1%	0.4%	0.5%	1.0%	2.2%	1.0%	4.1%	-1.9%
<b>OTHER NONDURABLES</b>												
Idaho	4,244	4,302	4,335	4,454	4,387	4,350	4,323	4,457	4,495	4,519	4,522	4,553
% Ch	15.3%	5.6%	3.1%	11.5%	-5.9%	-3.4%	-2.5%	13.0%	3.5%	2.2%	0.3%	2.7%
National (Thousands)	2,365	2,358	2,342	2,324	2,303	2,284	2,271	2,261	2,250	2,230	2,216	2,203
% Ch	-2.6%	-1.1%	-2.7%	-3.2%	-3.5%	-3.2%	-2.3%	-1.9%	-1.8%	-3.5%	-2.6%	-2.3%
<b>MINING</b>												
Idaho	1,821	1,932	1,973	1,999	2,042	2,135	2,212	2,253	2,359	2,270	2,321	2,324
% Ch	6.5%	26.8%	8.6%	5.5%	8.9%	19.5%	15.1%	7.6%	20.4%	-14.4%	9.4%	0.4%
National (Thousands)	511	521	528	531	543	557	564	578	591	609	624	628
% Ch	4.1%	8.4%	5.8%	2.3%	8.9%	10.6%	5.0%	10.9%	9.3%	12.8%	10.2%	2.3%
<b>CONSTRUCTION</b>												
Idaho	38,364	39,626	40,074	41,242	43,391	44,217	45,475	47,438	51,058	52,188	51,718	51,296
% Ch	8.5%	13.8%	4.6%	12.2%	22.5%	7.8%	11.9%	18.4%	34.2%	9.1%	-3.6%	-3.2%
National (Thousands)	6,863	6,939	7,000	7,095	7,158	7,258	7,305	7,391	7,483	7,502	7,516	7,490
% Ch	4.1%	4.5%	3.6%	5.5%	3.6%	5.7%	2.6%	4.8%	5.1%	1.0%	0.8%	-1.3%
<b>NONGOODS PRODUCING</b>												
Idaho	475,999	481,575	484,802	488,035	493,741	496,202	502,181	505,321	511,390	514,220	517,840	522,043
% Ch	1.9%	4.8%	2.7%	2.7%	4.8%	2.0%	4.9%	2.5%	4.9%	2.2%	2.8%	3.3%
National (Thousands)	108,844	109,419	109,670	110,243	110,656	111,104	111,610	111,920	112,358	112,708	113,072	113,485
% Ch	1.2%	2.1%	0.9%	2.1%	1.5%	1.6%	1.8%	1.1%	1.6%	1.2%	1.3%	1.5%
<b>SERVICES</b>												
Idaho	264,645	268,485	270,202	272,731	276,850	278,775	282,367	284,969	288,614	290,987	293,786	296,973
% Ch	3.0%	5.9%	2.6%	3.8%	6.2%	2.8%	5.3%	3.7%	5.2%	3.3%	3.9%	4.4%
National (Thousands)	66,676	67,115	67,313	67,709	68,019	68,341	68,711	68,987	69,374	69,700	70,018	70,329
% Ch	1.6%	2.7%	1.2%	2.4%	1.8%	1.9%	2.2%	1.6%	2.3%	1.9%	1.8%	1.8%
<b>INFORMATION</b>												
Idaho	9,393	9,701	10,224	10,422	10,882	11,018	11,045	11,341	10,461	10,549	10,577	10,596
% Ch	5.9%	13.7%	23.4%	8.0%	18.8%	5.1%	1.0%	11.2%	-27.6%	3.4%	1.1%	0.7%
National (Thousands)	3,140	3,135	3,107	3,087	3,066	3,066	3,066	3,063	3,070	3,064	3,055	3,042
% Ch	-1.3%	-0.7%	-3.5%	-2.6%	-2.7%	0.0%	-0.1%	-0.4%	1.0%	-0.7%	-1.2%	-1.7%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	27,475	27,810	27,957	28,506	28,863	29,208	29,938	30,604	31,195	31,778	32,101	32,330
% Ch	3.5%	5.0%	2.1%	8.1%	5.1%	4.9%	10.4%	9.2%	8.0%	7.7%	4.1%	2.9%
National (Thousands)	7,989	8,029	8,040	8,062	8,095	8,105	8,154	8,214	8,265	8,313	8,335	8,349
% Ch	0.0%	2.0%	0.6%	1.1%	1.6%	0.5%	2.5%	2.9%	2.5%	2.3%	1.1%	0.7%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**OCTOBER 2006**  
**EMPLOYMENT**

**MANUFACTURING (continued)**

	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	23,476	23,508	23,554	23,634	23,695	23,742	23,768	23,778	23,799	23,818	23,844	23,874
% Ch	0.8%	0.5%	0.8%	1.4%	1.0%	0.8%	0.4%	0.2%	0.2%	0.3%	0.4%	0.5%
National (Thousands)	5,206	5,204	5,201	5,190	5,170	5,150	5,133	5,120	5,101	5,092	5,080	5,072
% Ch	1.0%	-0.2%	-0.2%	-0.8%	-1.6%	-1.5%	-1.3%	-1.0%	-0.8%	-0.7%	-0.9%	-0.7%
<b>FOOD PROCESSING</b>												
Idaho	14,872	14,888	14,935	15,042	15,115	15,167	15,195	15,203	15,221	15,239	15,259	15,281
% Ch	-0.3%	0.4%	1.2%	2.9%	2.0%	1.4%	0.7%	0.2%	0.3%	0.5%	0.5%	0.6%
National (Thousands)	1,470	1,478	1,487	1,495	1,499	1,501	1,504	1,506	1,513	1,518	1,521	1,525
% Ch	3.7%	2.3%	2.5%	2.0%	1.1%	0.6%	0.7%	0.7%	0.8%	1.2%	0.9%	1.1%
<b>PRINTING</b>												
Idaho	1,881	1,864	1,852	1,842	1,839	1,840	1,842	1,843	1,839	1,835	1,831	1,827
% Ch	-2.3%	-3.6%	-2.6%	-2.1%	-0.7%	0.3%	0.3%	0.3%	-0.6%	-0.9%	-0.9%	-0.8%
National (Thousands)	645	649	649	647	644	641	640	638	637	635	634	633
% Ch	3.1%	2.2%	0.4%	-1.4%	-1.7%	-1.5%	-1.2%	-0.7%	-0.5%	-0.9%	-1.0%	-0.6%
<b>CHEMICALS</b>												
Idaho	2,146	2,164	2,153	2,115	2,078	2,043	2,010	1,979	1,924	1,899	1,876	1,855
% Ch	8.3%	3.6%	-2.1%	-7.0%	-6.8%	-6.6%	-6.3%	-5.9%	-5.4%	-5.1%	-4.7%	-4.4%
National (Thousands)	892	889	887	887	884	880	877	876	875	874	872	871
% Ch	-0.6%	-1.4%	-0.7%	-0.3%	-1.2%	-1.6%	-1.3%	-0.7%	-0.2%	-0.4%	-0.7%	-0.8%
<b>OTHER NONDURABLES</b>												
Idaho	4,576	4,591	4,614	4,636	4,663	4,692	4,722	4,752	4,815	4,846	4,878	4,911
% Ch	2.1%	1.3%	2.0%	1.9%	2.4%	2.5%	2.6%	2.6%	2.5%	2.6%	2.7%	2.7%
National (Thousands)	2,199	2,188	2,177	2,162	2,143	2,127	2,112	2,099	2,076	2,065	2,053	2,043
% Ch	-0.7%	-2.0%	-2.1%	-2.8%	-3.4%	-3.0%	-2.7%	-2.4%	-2.3%	-2.1%	-2.3%	-1.9%
<b>MINING</b>												
Idaho	2,337	2,276	2,246	2,219	2,194	2,166	2,136	2,098	1,994	1,936	1,876	1,816
% Ch	2.2%	-10.0%	-5.2%	-4.7%	-4.5%	-4.9%	-5.4%	-7.0%	-10.6%	-11.2%	-11.7%	-12.3%
National (Thousands)	626	627	632	644	648	651	649	644	630	623	616	608
% Ch	-1.0%	0.5%	3.2%	7.6%	2.4%	1.8%	-1.2%	-2.9%	-4.9%	-4.6%	-4.3%	-4.8%
<b>CONSTRUCTION</b>												
Idaho	50,924	50,615	50,390	50,172	50,042	49,887	49,732	49,607	49,458	49,458	49,508	49,602
% Ch	-2.9%	-2.4%	-1.8%	-1.7%	-1.0%	-1.2%	-1.2%	-1.0%	-0.5%	0.0%	0.4%	0.8%
National (Thousands)	7,418	7,362	7,313	7,317	7,326	7,335	7,373	7,398	7,476	7,534	7,589	7,633
% Ch	-3.8%	-2.9%	-2.7%	0.2%	0.5%	0.5%	2.0%	1.4%	2.3%	3.1%	3.0%	2.3%
<b>NONGOODS PRODUCING</b>												
Idaho	526,908	531,762	536,330	540,822	544,736	548,762	552,710	556,856	565,801	570,628	575,641	581,817
% Ch	3.8%	3.7%	3.5%	3.4%	2.9%	3.0%	2.9%	3.0%	3.3%	3.5%	3.6%	4.4%
National (Thousands)	113,841	114,325	114,719	115,126	115,651	116,270	116,912	117,521	118,456	118,900	119,364	119,815
% Ch	1.3%	1.7%	1.4%	1.4%	1.8%	2.2%	2.2%	2.1%	1.5%	1.5%	1.6%	1.5%
<b>SERVICES</b>												
Idaho	300,412	303,637	306,631	309,656	312,218	314,941	317,542	320,306	326,148	329,165	332,232	335,715
% Ch	4.7%	4.4%	4.0%	4.0%	3.4%	3.5%	3.3%	3.5%	3.8%	3.8%	3.8%	4.3%
National (Thousands)	70,621	71,002	71,319	71,603	71,987	72,439	72,874	73,291	74,063	74,378	74,697	74,980
% Ch	1.7%	2.2%	1.8%	1.6%	2.2%	2.5%	2.4%	2.3%	1.9%	1.7%	1.7%	1.5%
<b>INFORMATION</b>												
Idaho	10,615	10,659	10,713	10,772	10,835	10,901	10,968	11,038	11,180	11,253	11,327	11,402
% Ch	0.7%	1.7%	2.0%	2.2%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%	2.6%	2.7%
National (Thousands)	3,064	3,071	3,045	3,007	3,012	3,062	3,083	3,089	3,102	3,109	3,112	3,115
% Ch	2.9%	0.9%	-3.3%	-4.9%	0.7%	6.7%	2.8%	0.8%	0.8%	0.9%	0.4%	0.4%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	32,719	33,110	33,495	33,876	34,240	34,600	34,958	35,315	36,024	36,380	36,738	37,100
% Ch	4.9%	4.9%	4.7%	4.6%	4.4%	4.3%	4.2%	4.1%	4.0%	4.0%	4.0%	4.0%
National (Thousands)	8,334	8,342	8,326	8,344	8,387	8,400	8,413	8,427	8,491	8,527	8,569	8,614
% Ch	-0.7%	0.4%	-0.7%	0.9%	2.1%	0.6%	0.6%	0.7%	1.4%	1.7%	2.0%	2.1%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST**  
**QUARTERLY DETAIL**  
**OCTOBER 2006**  
**EMPLOYMENT**

<b>SERVICES (Continued)</b>												
	<b>2004</b>				<b>2005</b>				<b>2006</b>			
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	18,917	19,074	18,875	18,911	18,971	19,143	19,460	19,594	19,970	20,133	20,144	20,179
% Ch	3.9%	3.4%	-4.1%	0.8%	1.3%	3.7%	6.8%	2.8%	7.9%	3.3%	0.2%	0.7%
National (Thousands)	4,778	4,798	4,824	4,845	4,876	4,902	4,913	4,926	4,944	4,967	4,976	4,994
% Ch	1.6%	1.7%	2.1%	1.7%	2.6%	2.1%	0.9%	1.1%	1.4%	1.9%	0.7%	1.5%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	71,335	73,005	73,749	74,472	75,783	76,468	77,470	77,889	80,672	81,180	82,464	83,673
% Ch	4.0%	9.7%	4.1%	4.0%	7.2%	5.3%	2.2%	3.7%	15.1%	2.5%	6.5%	6.0%
National (Thousands)	16,165	16,361	16,445	16,594	16,698	16,806	16,942	17,058	17,161	17,269	17,391	17,481
% Ch	1.5%	4.9%	2.1%	3.7%	2.5%	2.6%	3.3%	2.8%	2.4%	2.5%	2.9%	2.1%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	63,916	65,049	65,607	66,297	67,378	67,744	68,327	68,502	68,501	69,126	69,683	70,587
% Ch	2.5%	7.3%	3.5%	4.3%	6.7%	2.2%	3.5%	1.0%	0.0%	3.7%	3.3%	5.3%
National (Thousands)	16,804	16,911	16,986	17,106	17,192	17,288	17,411	17,476	17,584	17,677	17,787	17,904
% Ch	2.1%	2.6%	1.8%	2.9%	2.0%	2.3%	2.9%	1.5%	2.5%	2.1%	2.5%	2.6%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	55,504	55,519	55,451	55,812	56,649	56,804	57,590	58,392	59,059	59,276	59,824	60,630
% Ch	3.7%	0.1%	-0.5%	2.6%	6.1%	1.1%	5.6%	5.7%	4.6%	1.5%	3.7%	5.5%
National (Thousands)	12,390	12,460	12,504	12,618	12,699	12,783	12,840	12,873	12,954	13,009	13,075	13,135
% Ch	3.1%	2.3%	1.4%	3.7%	2.6%	2.7%	1.8%	1.0%	2.6%	1.7%	2.1%	1.8%
<b>OTHER SERVICES</b>												
Idaho	18,104	18,327	18,340	18,310	18,325	18,390	18,538	18,647	18,756	18,944	18,992	18,978
% Ch	-4.3%	5.0%	0.3%	-0.7%	0.3%	1.4%	3.2%	2.4%	2.4%	4.1%	1.0%	-0.3%
National (Thousands)	5,410	5,422	5,408	5,397	5,394	5,391	5,386	5,378	5,397	5,402	5,399	5,425
% Ch	0.6%	0.9%	-1.0%	-0.8%	-0.2%	-0.2%	-0.3%	-0.6%	1.4%	0.3%	-0.2%	1.9%
<b>TRADE</b>												
Idaho	97,817	98,932	99,509	100,247	101,933	102,762	104,637	105,351	106,189	106,768	107,344	108,078
% Ch	1.3%	4.6%	2.4%	3.0%	6.9%	3.3%	7.5%	2.8%	3.2%	2.2%	2.2%	2.8%
National (Thousands)	20,613	20,709	20,735	20,824	20,902	20,987	21,056	21,062	21,111	21,077	21,070	21,118
% Ch	1.5%	1.9%	0.5%	1.7%	1.5%	1.6%	1.3%	0.1%	0.9%	-0.6%	-0.1%	0.9%
<b>RETAIL TRADE</b>												
Idaho	72,913	73,781	73,711	74,464	75,572	76,192	77,460	77,942	79,363	79,559	79,976	80,628
% Ch	-0.8%	4.8%	-0.4%	4.2%	6.1%	3.3%	6.8%	2.5%	7.5%	1.0%	2.1%	3.3%
National (Thousands)	14,989	15,056	15,063	15,128	15,189	15,246	15,297	15,284	15,299	15,236	15,219	15,247
% Ch	1.3%	1.8%	0.2%	1.7%	1.6%	1.5%	1.3%	-0.3%	0.4%	-1.6%	-0.4%	0.7%
<b>WHOLESALE TRADE</b>												
Idaho	24,903	25,151	25,798	25,782	26,361	26,571	27,177	27,409	26,826	27,210	27,368	27,449
% Ch	7.7%	4.0%	10.7%	-0.2%	9.3%	3.2%	9.4%	3.5%	-8.2%	5.8%	2.4%	1.2%
National (Thousands)	5,625	5,653	5,672	5,696	5,714	5,740	5,759	5,778	5,812	5,841	5,851	5,872
% Ch	2.0%	2.0%	1.4%	1.7%	1.2%	1.9%	1.3%	1.3%	2.4%	2.0%	0.6%	1.5%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	100,287	100,868	101,634	101,808	101,714	101,555	102,284	101,932	103,526	103,451	103,678	103,968
% Ch	0.2%	2.3%	3.1%	0.7%	-0.4%	-0.6%	2.9%	-1.4%	6.4%	-0.3%	0.9%	1.1%
National (Thousands)	18,826	18,859	18,892	18,980	19,008	19,049	19,117	19,148	19,167	19,224	19,269	19,329
% Ch	0.1%	0.7%	0.7%	1.9%	0.6%	0.9%	1.4%	0.7%	0.4%	1.2%	0.9%	1.2%
<b>EDUCATION</b>												
Idaho	50,336	50,577	51,257	51,105	51,267	51,136	51,766	51,069	52,045	51,910	52,067	52,306
% Ch	-2.1%	1.9%	5.5%	-1.2%	1.3%	-1.0%	5.0%	-5.3%	7.9%	-1.0%	1.2%	1.9%
<b>NONEDUCATION</b>												
Idaho	49,951	50,292	50,377	50,703	50,447	50,419	50,519	50,862	51,481	51,541	51,612	51,662
% Ch	2.6%	2.8%	0.7%	2.6%	-2.0%	-0.2%	0.8%	2.7%	5.0%	0.5%	0.5%	0.4%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,250	13,289	13,457	13,249	13,244	13,110	12,893	13,070	13,060	13,014	13,032	13,024
% Ch	-3.8%	1.2%	5.1%	-6.0%	-0.2%	-4.0%	-6.5%	5.6%	-0.3%	-1.4%	0.5%	-0.2%
National (Thousands)	2,729	2,735	2,730	2,730	2,726	2,727	2,725	2,722	2,706	2,707	2,714	2,710
% Ch	-1.0%	0.9%	-0.7%	0.0%	-0.6%	0.1%	-0.2%	-0.5%	-2.3%	0.1%	1.1%	-0.6%

National Variables Forecast by Global Insight  
Forecast Begins the **THIRD** Quarter of 2006

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**EMPLOYMENT**

SERVICES (Continued)	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	20,544	20,591	20,654	20,662	20,654	20,642	20,640	20,658	20,749	20,831	20,925	21,053
% Ch	7.4%	0.9%	1.2%	0.2%	-0.2%	-0.2%	0.0%	0.3%	1.1%	1.6%	1.8%	2.5%
National (Thousands)	5,005	5,029	5,053	5,081	5,110	5,143	5,182	5,221	5,290	5,321	5,349	5,375
% Ch	0.9%	2.0%	1.9%	2.2%	2.3%	2.6%	3.1%	3.0%	2.6%	2.3%	2.1%	2.0%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	84,724	85,804	86,712	87,693	88,624	89,658	90,609	91,626	93,729	94,773	95,793	96,994
% Ch	5.1%	5.2%	4.3%	4.6%	4.3%	4.8%	4.3%	4.6%	4.7%	4.5%	4.4%	5.1%
National (Thousands)	17,555	17,704	17,855	17,996	18,190	18,428	18,685	18,914	19,267	19,402	19,558	19,697
% Ch	1.7%	3.4%	3.4%	3.2%	4.4%	5.3%	5.7%	5.0%	3.1%	2.8%	3.2%	2.9%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	71,255	71,948	72,538	73,163	73,704	74,323	74,898	75,545	76,945	77,659	78,398	79,274
% Ch	3.8%	3.9%	3.3%	3.5%	3.0%	3.4%	3.1%	3.5%	3.9%	3.8%	3.9%	4.5%
National (Thousands)	18,006	18,028	18,081	18,155	18,215	18,272	18,372	18,452	18,591	18,618	18,643	18,677
% Ch	2.3%	0.5%	1.2%	1.6%	1.3%	1.3%	2.2%	1.7%	1.2%	0.6%	0.5%	0.7%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	61,393	62,156	62,932	63,715	64,206	64,683	65,152	65,615	66,581	67,097	67,637	68,222
% Ch	5.1%	5.1%	5.1%	5.1%	3.1%	3.0%	2.9%	2.9%	3.0%	3.1%	3.3%	3.5%
National (Thousands)	13,223	13,366	13,485	13,531	13,583	13,648	13,655	13,705	13,839	13,917	13,981	14,016
% Ch	2.7%	4.4%	3.6%	1.4%	1.5%	1.9%	0.2%	1.5%	2.2%	2.3%	1.9%	1.0%
<b>OTHER SERVICES</b>												
Idaho	19,162	19,370	19,586	19,775	19,955	20,133	20,316	20,510	20,939	21,172	21,412	21,670
% Ch	3.9%	4.4%	4.5%	3.9%	3.7%	3.6%	3.7%	3.9%	4.3%	4.5%	4.6%	4.9%
National (Thousands)	5,434	5,462	5,474	5,489	5,489	5,486	5,484	5,482	5,482	5,485	5,486	5,486
% Ch	0.7%	2.1%	0.9%	1.1%	0.0%	-0.2%	-0.2%	-0.1%	0.0%	0.2%	0.1%	-0.1%
<b>TRADE</b>												
Idaho	109,110	110,344	111,645	112,713	113,710	114,691	115,716	116,825	119,283	120,669	122,110	123,697
% Ch	3.9%	4.6%	4.8%	3.9%	3.6%	3.5%	3.6%	3.9%	4.4%	4.7%	4.9%	5.3%
National (Thousands)	21,152	21,210	21,297	21,384	21,503	21,590	21,678	21,768	21,797	21,819	21,850	21,854
% Ch	0.6%	1.1%	1.7%	1.6%	2.2%	1.6%	1.7%	1.7%	0.5%	0.4%	0.6%	0.1%
<b>RETAIL TRADE</b>												
Idaho	81,436	82,398	83,411	84,247	85,027	85,796	86,599	87,465	89,381	90,459	91,579	92,811
% Ch	4.1%	4.8%	5.0%	4.1%	3.8%	3.7%	3.8%	4.1%	4.6%	4.9%	5.0%	5.5%
National (Thousands)	15,276	15,336	15,417	15,492	15,592	15,666	15,738	15,817	15,824	15,828	15,843	15,836
% Ch	0.8%	1.6%	2.1%	1.9%	2.6%	1.9%	1.9%	2.0%	0.4%	0.1%	0.4%	-0.2%
<b>WHOLESALE TRADE</b>												
Idaho	27,674	27,946	28,234	28,467	28,683	28,895	29,118	29,360	29,902	30,210	30,531	30,886
% Ch	3.3%	4.0%	4.2%	3.3%	3.1%	3.0%	3.1%	3.4%	3.9%	4.2%	4.3%	4.7%
National (Thousands)	5,875	5,874	5,880	5,892	5,911	5,924	5,940	5,951	5,973	5,992	6,007	6,019
% Ch	0.2%	-0.1%	0.4%	0.8%	1.3%	0.9%	1.1%	0.7%	0.8%	1.2%	1.1%	0.8%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	104,359	104,749	105,008	105,391	105,734	106,044	106,354	106,617	107,240	107,594	107,956	108,370
% Ch	1.5%	1.5%	1.0%	1.5%	1.3%	1.2%	1.2%	1.0%	1.3%	1.3%	1.4%	1.5%
National (Thousands)	19,359	19,405	19,395	19,431	19,453	19,532	19,650	19,752	19,885	19,981	20,071	20,113
% Ch	0.6%	1.0%	-0.2%	0.7%	0.4%	1.6%	2.4%	2.1%	1.4%	1.9%	1.8%	0.8%
<b>EDUCATION</b>												
Idaho	52,617	52,904	53,063	53,317	53,581	53,797	54,013	54,206	54,669	54,927	55,177	55,458
% Ch	2.4%	2.2%	1.2%	1.9%	2.0%	1.6%	1.6%	1.4%	1.9%	1.9%	1.8%	2.1%
<b>NONEDUCATION</b>												
Idaho	51,742	51,844	51,945	52,074	52,153	52,247	52,342	52,410	52,571	52,667	52,780	52,912
% Ch	0.6%	0.8%	0.8%	1.0%	0.6%	0.7%	0.7%	0.5%	0.7%	0.7%	0.9%	1.0%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,028	13,032	13,046	13,061	13,074	13,086	13,098	13,108	13,131	13,200	13,343	14,036
% Ch	0.1%	0.1%	0.4%	0.5%	0.4%	0.4%	0.3%	0.3%	0.4%	2.1%	4.4%	22.4%
National (Thousands)	2,708	2,707	2,708	2,708	2,709	2,709	2,709	2,710	2,711	2,721	2,745	2,868
% Ch	-0.2%	-0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	1.6%	3.5%	19.2%

National Variables Forecast by Global Insight  
Forecast Begins the THIRD Quarter of 2006

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**MISCELLANEOUS**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	108.190	109.172	109.744	110.610	111.558	112.229	113.139	114.048	114.967	115.905	116.458	116.843
% Ch	3.7%	3.7%	2.1%	3.2%	3.5%	2.4%	3.3%	3.3%	3.3%	3.3%	1.9%	1.3%
<b>Consumption Expenditures</b>	107.202	108.155	108.658	109.476	110.091	110.940	112.066	112.873	113.445	114.573	115.211	115.038
% Ch	3.7%	3.6%	1.9%	3.0%	2.3%	3.1%	4.1%	2.9%	2.0%	4.0%	2.2%	-0.6%
<b>Durable Goods</b>	91.043	91.105	90.581	90.649	90.709	90.570	89.908	89.605	89.385	89.206	89.088	88.613
% Ch	0.0%	0.3%	-2.3%	0.3%	0.3%	-0.6%	-2.9%	-1.3%	-1.0%	-0.8%	-0.5%	-2.1%
<b>Nondurable Goods</b>	106.014	107.561	107.865	109.030	109.325	110.604	113.016	113.177	113.484	115.769	116.303	114.250
% Ch	5.7%	6.0%	1.1%	4.4%	1.1%	4.8%	9.0%	0.6%	1.1%	8.3%	1.9%	-6.9%
<b>Services</b>	111.573	112.444	113.303	114.133	115.049	115.929	116.858	118.281	119.194	120.059	120.946	121.825
% Ch	3.5%	3.2%	3.1%	3.0%	3.2%	3.1%	3.2%	5.0%	3.1%	2.9%	3.0%	2.9%
<b>Consumer Price Index</b>	1.866	1.884	1.894	1.911	1.922	1.940	1.966	1.982	1.993	2.017	2.031	2.024
% Ch	3.7%	4.1%	2.1%	3.5%	2.5%	3.7%	5.5%	3.2%	2.2%	5.0%	2.8%	-1.3%

**SELECTED INTEREST RATES**

<b>Federal Funds</b>	1.0%	1.0%	1.4%	2.0%	2.5%	2.9%	3.5%	4.0%	4.5%	4.9%	5.2%	5.3%
<b>NY Fed Discount</b>	2.0%	2.0%	2.4%	2.9%	3.4%	3.9%	4.4%	5.0%	5.4%	5.9%	6.3%	6.3%
<b>Prime</b>	4.0%	4.0%	4.4%	4.9%	5.4%	5.9%	6.4%	7.0%	7.4%	7.9%	8.3%	8.3%
<b>Existing Home Mortgage</b>	5.6%	5.7%	5.8%	5.7%	5.8%	5.8%	5.8%	6.2%	6.4%	6.6%	6.8%	6.6%
<b>U.S. Govt. 3-Month Bills</b>	0.9%	1.1%	1.5%	2.0%	2.5%	2.9%	3.4%	3.8%	4.4%	4.7%	4.9%	4.8%
<b>U.S. Govt. 6-Month Bills</b>	1.0%	1.3%	1.7%	2.2%	2.8%	3.1%	3.6%	4.1%	4.5%	4.8%	5.0%	4.8%
<b>U.S. Govt. 5-Year Notes</b>	3.0%	3.7%	3.5%	3.5%	3.9%	3.9%	4.0%	4.4%	4.5%	5.0%	4.8%	4.6%
<b>U.S. Govt. 10-Year Notes</b>	4.0%	4.6%	4.3%	4.2%	4.3%	4.2%	4.2%	4.5%	4.6%	5.1%	4.9%	4.7%

**SELECTED US PRODUCTION INDICES**

<b>Wood Products</b>	103.5	105.3	105.1	105.5	106.4	105.0	105.4	113.4	109.5	106.4	104.1	103.2
% Ch	4.1%	7.0%	-0.5%	1.6%	3.4%	-5.2%	1.3%	34.0%	-12.9%	-10.9%	-8.5%	-3.5%
<b>Computers &amp; Electronic Products</b>	123.3	127.8	134.2	137.7	146.1	151.8	159.6	169.4	173.9	180.7	188.2	193.3
% Ch	16.8%	15.4%	21.6%	10.9%	27.0%	16.2%	22.3%	27.0%	11.0%	16.8%	17.7%	11.2%
<b>Food</b>	99.7	100.9	101.5	101.2	102.5	102.7	103.2	104.3	105.9	106.4	107.1	107.3
% Ch	2.0%	4.9%	2.2%	-1.1%	5.3%	0.9%	1.7%	4.4%	6.2%	2.0%	2.7%	0.5%
<b>Agricultural Chemicals</b>	106.5	106.4	107.2	108.3	110.2	110.6	110.4	103.0	107.3	113.3	118.8	117.3
% Ch	9.6%	-0.4%	3.2%	4.0%	7.1%	1.8%	-1.0%	-24.3%	17.8%	24.5%	21.0%	-5.0%
<b>Metal Ore Mining</b>	91.8	92.3	94.5	97.2	100.2	101.8	100.9	98.5	101.2	103.3	103.8	105.7
% Ch	10.5%	2.3%	9.8%	12.0%	13.1%	6.5%	-3.4%	-9.4%	11.4%	8.8%	2.0%	7.3%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2006**

**MISCELLANEOUS**

	Q1	2007 Q2	Q3	Q4	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	117.691	118.325	118.865	119.396	120.022	120.612	121.181	121.712	122.964	123.523	124.065	124.672
% Ch	2.9%	2.2%	1.8%	1.8%	2.1%	2.0%	1.9%	1.8%	1.9%	1.8%	1.8%	2.0%
<b>Consumption Expenditures</b>	115.859	116.451	117.078	117.641	118.239	118.778	119.321	119.831	120.950	121.485	122.011	122.569
% Ch	2.9%	2.1%	2.2%	1.9%	2.0%	1.8%	1.8%	1.7%	1.8%	1.8%	1.7%	1.8%
<b>Durable Goods</b>	88.493	88.463	88.454	88.404	88.361	88.291	88.190	88.062	87.783	87.617	87.428	87.234
% Ch	-0.5%	-0.1%	0.0%	-0.2%	-0.2%	-0.3%	-0.5%	-0.6%	-0.7%	-0.8%	-0.9%	-0.9%
<b>Nondurable Goods</b>	115.207	115.443	116.103	116.556	117.024	117.388	117.791	118.129	118.968	119.352	119.733	120.199
% Ch	3.4%	0.8%	2.3%	1.6%	1.6%	1.2%	1.4%	1.2%	1.1%	1.3%	1.3%	1.6%
<b>Services</b>	122.817	123.751	124.521	125.296	126.123	126.906	127.685	128.448	130.070	130.865	131.651	132.455
% Ch	3.3%	3.1%	2.5%	2.5%	2.7%	2.5%	2.5%	2.4%	2.5%	2.5%	2.4%	2.5%
<b>Consumer Price Index</b>	2.043	2.055	2.067	2.078	2.088	2.097	2.106	2.115	2.135	2.144	2.153	2.163
% Ch	3.7%	2.3%	2.4%	2.1%	2.1%	1.7%	1.8%	1.7%	1.7%	1.8%	1.7%	1.8%

**SELECTED INTEREST RATES**

<b>Federal Funds</b>	5.2%	5.0%	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%	4.8%	4.8%	4.8%	4.8%
<b>NY Fed Discount</b>	6.2%	6.0%	5.6%	5.5%	5.5%	5.5%	5.5%	5.5%	5.8%	5.8%	5.8%	5.8%
<b>Prime</b>	8.2%	8.0%	7.6%	7.5%	7.5%	7.5%	7.5%	7.5%	7.8%	7.8%	7.8%	7.8%
<b>Existing Home Mortgage</b>	6.6%	6.4%	6.4%	6.4%	6.5%	6.6%	6.7%	6.8%	7.1%	7.1%	7.1%	7.1%
<b>U.S. Govt. 3-Month Bills</b>	4.8%	4.6%	4.5%	4.4%	4.4%	4.4%	4.4%	4.4%	4.6%	4.6%	4.6%	4.6%
<b>U.S. Govt. 6-Month Bills</b>	4.8%	4.7%	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%	4.7%	4.7%	4.7%	4.7%
<b>U.S. Govt. 5-Year Notes</b>	4.6%	4.5%	4.5%	4.6%	4.6%	4.8%	4.9%	5.0%	5.3%	5.3%	5.3%	5.3%
<b>U.S. Govt. 10-Year Notes</b>	4.7%	4.5%	4.5%	4.6%	4.7%	4.8%	5.0%	5.1%	5.4%	5.4%	5.4%	5.4%

**SELECTED US PRODUCTION INDICES**

<b>Wood Products</b>	101.9	100.5	99.4	98.8	98.7	98.8	98.9	98.9	99.5	99.3	99.6	100.3
% Ch	-4.7%	-5.6%	-4.4%	-2.3%	-0.4%	0.6%	0.5%	0.0%	2.0%	-0.5%	1.0%	2.9%
<b>Computers &amp; Electronic Products</b>	198.4	203.4	208.6	214.0	219.0	224.2	229.7	235.3	247.5	254.1	261.0	268.1
% Ch	11.0%	10.4%	10.8%	10.7%	9.8%	9.9%	10.0%	10.2%	10.9%	11.2%	11.3%	11.4%
<b>Food</b>	107.5	107.9	108.3	108.9	109.4	110.0	110.5	111.1	112.1	112.6	113.1	113.6
% Ch	1.0%	1.2%	1.7%	2.0%	2.1%	2.1%	2.0%	1.9%	1.8%	1.9%	1.9%	1.9%
<b>Agricultural Chemicals</b>	115.7	114.2	112.9	111.8	110.7	109.8	109.0	108.3	107.3	107.0	106.9	106.9
% Ch	-5.3%	-5.0%	-4.5%	-4.1%	-3.7%	-3.2%	-2.8%	-2.5%	-1.6%	-1.0%	-0.5%	0.0%
<b>Metal Ore Mining</b>	107.3	108.7	109.8	110.7	111.7	112.5	113.2	113.8	114.7	115.0	115.3	115.6
% Ch	6.4%	5.1%	4.1%	3.6%	3.5%	3.0%	2.5%	2.0%	1.4%	1.2%	1.1%	0.9%

This page left blank intentionally.



## **APPENDIX**

Global Insight Macro Model .....	Page 60
Idaho Economic Model .....	Page 62
Equations .....	Page 64
Endogenous Variables .....	Page 68
Exogenous Variables .....	Page 70

## THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the nonprofit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

## THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

**personal income = wage and salary payments + other labor  
income + farm proprietors' income + nonfarm proprietors'  
income + property income + transfer payments - contributions  
for social insurance + residence adjustment.**

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from Global Insight's U.S. macroeconomic model.

Since the output of the IEM depends in large part upon the output of the Global Insight model, an understanding of the Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the Global Insight model are discussed in the National Forecast section.

# IDAHO ECONOMIC MODEL

$$EEA\_ID = EEA\_ID\_GOODS + EEA\_ID\_NONGOODS$$

$$EEA\_ID\_2100 = 3668.828 + 34.859*ID0IP2122\_2123 - 3419.780*(JULCNF/WPI10) - 17.357*TREND$$

$$EEA\_ID\_2300 = 16027.584 + 424.975*ID0HSPRS1\_A + 364.264*ID0HSPRS1\_A(-1) + 303.554*ID0HSPRS1\_A(-2) \\ + 242.843*ID0HSPRS1\_A(-3) + 182.132*ID0HSPRS1\_A(-4) + 121.421*ID0HSPRS1\_A(-5) \\ + 60.711*ID0HSPRS1\_A(-6)$$

$$EEA\_ID\_3110 = 19673.150 + 224.653*MOVAV(IPSG311,4) - 306.175*MOVAV(IPSG311/EMN311,4) - \\ 45.495*TREND$$

$$EEA\_ID\_3230 = 2198.371 + 17.984*MOVAV(IPSG323,4) - 13.960*MOVAV((IPSG323/EMN323),8)$$

$$EEA\_ID\_3250 = 2372.281 + 15.982*MOVAV(IPSG3253(-1),4) - 1972.467*DUM951ON$$

$$EEA\_ID\_3320 = -1583.336 + 51.725*MOVAV(IPSG332,2)$$

$$EEA\_ID\_3330 = 1175.655 + 28.588*IPSG333 - 10.898*TREND$$

$$EEA\_ID\_3340 = 12511.226 + 152.754*MOVAV(IPSG3341,4) + 12.867*DUM911011*MOVAV(IPSG3341,4) \\ - 167.437*MOVAV((IPSG3341/EMD334),8)$$

$$EEA\_ID\_4200 = 6190.712 + 0.309*EEA\_ID\_44\_45 - 25.326*TREND$$

$$EEA\_ID\_44\_45 = 35099.331 + 290.126*MOVAV((YPADJ\_ID/JPC),4) - 417.251*TREND$$

$$EEA\_ID\_48\_49\_22 = -6521.975 + 0.980*EEA\_ID\_4200 + 1.084*MOVAV(ID0KHU,4)$$

$$EEA\_ID\_5100 = -4902.892 + 39.825*MOVAV(IPSG51111,4) + 78.450*TREND$$

$$EEA\_ID\_52\_53 = -9143.662 - 5668.533*DUM981ON + 2065.506*(DUM9801004*MOVAV(SP500/SP500(-2),2) \\ + 91.084*ID0KHU)$$

$$EEA\_ID\_54\_55\_56 = -36375.826 + 146.711*YPADJ\_ID/JPC + 209.771*MOVAV(RADR,8)$$

$$EEA\_ID\_61\_62 = -44541.096 + 52283.499*ID0NPT + 102.042*YPADJ\_ID/JPC$$

$$EEA\_ID\_71\_72 = -48456.406 + 125084.929*ID0NPT - 494.622*TREND$$

$$EEA\_ID\_8100 = 3215.379 + 45.383*MOVAV((YPADJ\_ID/JPC),4) + 1254.517*DUM931964 - \\ 1208.890*DUM061ON$$

$$EEA\_ID\_DMANU = EEA\_ID\_WOOD + EEA\_ID\_3320 + EEA\_ID\_3330 + EEA\_ID\_3340 + EEA\_ID\_MFDNEC$$

$$EEA\_ID\_GOODS = EEA\_ID\_MANU + EEA\_ID\_2300 + EEA\_ID\_2100$$

$$EEA\_ID\_GV = EEA\_ID\_GVSL + EEA\_ID\_GVF$$

$$EEA\_ID\_GVF = -579.687 + 1071705.989*EG91*(ID0NPT/N)$$

$$EEA\_ID\_GVSL = EEA\_ID\_GVSLAD + EEA\_ID\_GVSLED$$

$$EEA\_ID\_GVSLAD = -614.947 + 28230.644*ID0NPT + 0.437*MOVAV(ID0YPTXB(-4),4)$$

$$EEA\_ID\_GVSLED = 10257.202 + 44744.554*ID0NPT*((N-N16A)/N) + 0.603*MOVAV(ID0YPTXB(-4),2) + 76.294*TREND$$

$$EEA\_ID\_MANU = EEA\_ID\_DMANU + EEA\_ID\_NMANU$$

$$EEA\_ID\_MFDNEC = -2863.896 + 117.932*MOVAV(ID0IPMFDNEC,2)$$

$$EEA\_ID\_MFNNEC = 976.030 + 1.597*(CNCSR+CNOOR) + 22.737*MOVAV(IPSG322,2)$$

$$EEA\_ID\_NMANU = EEA\_ID\_3110 + EEA\_ID\_3230 + EEA\_ID\_3250 + EEA\_ID\_MFNNEC$$

$$EEA\_ID\_NONGOODS = EEA\_ID\_SV + EEA\_ID\_4200 + EEA\_ID\_44_45 + EEA\_ID\_GV$$

$$EEA\_ID\_SV = EEA\_ID\_48_49_22 + EEA\_ID\_5100 + EEA\_ID\_52_53 + EEA\_ID\_54_55_56 + EEA\_ID\_61_62 + EEA\_ID\_71_72 + EEA\_ID\_8100$$

$$EEA\_ID\_WOOD = 17192.510 + 134.665*MOVAV(IPSG321,2) - 7044.284*(JULCNF/WPI08) - 44.622*IPSG321/EMD321 - 62.176*TREND$$

$$ID0AHEMF = -5.182 + 16.251*(EEA\_ID\_DMANU(-1)/EEA\_ID\_MANU(-1)*JULCNF) + 16.927*(EEA\_ID\_NMANU(-1)/EEA\_ID\_MANU(-1)*JULCNF)$$

$$ID0CRCROP = 10919.520 + 0.013*CRCROP + 406788.073*WPI01$$

$$ID0CRLVSTK = -242868.924 + 0.017*(CRCATCVS+CRDAIRY) + 9180.576*TREND$$

$$ID0EXFP = -51876.456 + 1033426.648*WPI01 + 19693.521*TREND$$

$$ID0HSPR = ID0HSPRS1\_A + ID0HSPRS2A\_A$$

$$\begin{aligned} \text{ID0HSPRS1\_A} &= -39.154 - 0.780 * (\text{RMMTGEXIST} - \text{MOVAV}(\text{RMMTGEXIST}(-1), 4)) \\ &+ 121.679 * (\text{MOVAV}(\text{ID0NPT}(-1), 4) - \text{MOVAV}(\text{ID0NPT}(-5), 4)) + 0.326 * \text{ID0KHU}(-1) - 0.503 * \text{TREND} \end{aligned}$$

$$\begin{aligned} \text{ID0HSPRS2A\_A} &= 5.471 + 35.938 * (\text{MOVAV}(\text{ID0NPT}(-1), 4) - \text{MOVAV}(\text{ID0NPT}(-5), 4)) \\ &- 0.238 * \text{MOVAV}(\text{RMMTGEXIST}, 4) - 0.003 * \text{TREND} * \text{RMMTGEXIST} \end{aligned}$$

$$\text{ID0KHU} = \text{ID0KHU1} + \text{ID0KHU2A}$$

$$\text{ID0KHU1} = ((0.997)^{0.25}) * \text{ID0KHU1}(-1) + \text{ID0HSPRS1\_A}/4$$

$$\text{ID0KHU2A} = ((0.997)^{0.25}) * \text{ID0KHU2A}(-1) + \text{ID0HSPRS2A\_A}/4$$

$$\text{ID0NB} = -10.307 + 38.828 * \text{ID0NPT} - 0.157 * \text{TREND}$$

$$\text{ID0ND} = 0.910 + 5.752 * \text{ID0NPT} + 0.009 * \text{TREND}$$

$$\text{ID0NMG} = (\text{ID0NPT} - \text{ID0NPT}(-4)) - (\text{ID0NB} - \text{ID0ND})/1000$$

$$\text{ID0NPT} = 0.432 + 0.0000007 * \text{MOVAV}(\text{EEA\_ID}, 4) + 0.004 * \text{TREND}$$

$$\text{ID0WBB\$} = \text{ID0WBBMF\$} + \text{ID0WBBOTH\$} + \text{ID0WBBCC\$} + \text{ID0WBBF\$} + \text{ID0WBBMIL\$}$$

$$\text{ID0WBBCC\$} = (\text{ID0WRWCC\$} * \text{EEA\_ID\_2300})/1000000$$

$$\text{ID0WBBF\$} = -120.362 + 310.874 * \text{WPI02}$$

$$\text{ID0WBBMF\$} = (\text{ID0WRWMF\$} * \text{EEA\_ID\_MANU})/1000000$$

$$\text{ID0WBBMIL\$} = 6.122 + 302.684 * (\text{ID0NPT}/N) * \text{GFMLCWSS}$$

$$\text{ID0WBBOTH\$} = \text{ID0WRWOTH\$} * (\text{EEA\_ID} - \text{EEA\_ID\_2300} - \text{EEA\_ID\_MANU})/1000000$$

$$\text{ID0WRWCC\$} = 2611.879 + 2035.239 * \text{ID0AHEMF}$$

$$\text{ID0WRWMF\$} = -3266.566 + 3073.920 * \text{ID0AHEMF}$$

$$\text{ID0WRWOTH\$} = -11500.767 + 2766.567 * \text{ID0AHEMF}$$

$$\text{ID0YDIR\$} = -150.824 + 1.107 * (\text{YPAIN} + \text{ZADIV} + \text{YPRENTADJ}) * \text{MOVAV}(\text{ID0YP\$}(-1), 4) / \text{MOVAV}(\text{YP}(-1), 4)$$

$$\text{ID0YFC\$} = -23654.048 + 0.930 * \text{ID0YFC\$}(-1) + 35818.348 * \text{WPI01}$$

$$\text{ID0YINV\_R\$} = -34431.500 + 0.818 * \text{ID0YINV\_R\$}(-1) + 65808.355 * \text{WPI01}$$



$$ID0YP = ID0YP\$/JPC*100$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS\$$$

$$ID0YP\$PC = ID0YP\$/ID0NPT$$

$$ID0YPNF = ID0YPNF\$/JPC*100$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$/JPC*100/ID0NPT$$

$$ID0YPPC = ID0YP/ID0NPT$$

$$ID0YPRF\$ = 141.549 + 0.167*((ID0CRCROP+ID0CRLVSTK+ID0YTRF\$$+ID0YINV\_R\$-ID0YFC\$-ID0EXFP)/1000) + 2.882*TREND$$

$$ID0YPRNF\$ = 66.965 + 4.299*YPPROPADJNF$$

$$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV\_R\$/1000))/JPC*100$$

$$ID0YRA\$ = -85.200 + 0.035*ID0WBB\$$$

$$ID0YSIS\$ = -31.834 + 2.290*TXSIEC*ID0WBB\$/YPCOMPWSD$$

$$ID0YSUP\$ = 42.241 + 1.575*YPCOMPSUPPAI*ID0WBB\$/YPCOMPWSD$$

$$ID0YTR\$ = -6.260 + 841.744*(YPTRFGF+YPTRFGSL)*(ID0NPT/N)$$

$$ID0YTRF\$ = 19018.071 + 0.011*TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$/EEA\_ID * 1000000$$

$$YPADJ\_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$,4) + MOVAV(ID0WBBF\$,4)$$

## ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons
ID0NPT	Resident population

ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 2000 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 2000 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 2000 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 2000 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
IDWAGE	Average annual wage
YPADJ_ID	Adjusted total personal income

## EXOGENOUS VARIABLES

CNCSR	Personal consumption expenditures, clothing and shoes, 2000 dollars, chain weighted
CNOOR	Personal consumption expenditures, other nondurable goods, 2000 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
CRDAIRY	Cash receipts, U.S. dairy
DUM911011	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as strikes, plant opening, or closures, unusual weather conditions, etc.
DUM911034	
DUM931964	
DUM9510N	
DUM98011004	
DUM9810N	
TREND	
EG91	Employment in federal government
ENRM21	Employment in mining
GFMLCWSS	Federal government defense personnel outlays
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 2002=100.0
ID0IPMFDNEC	Industrial production index, other nondurable goods, 2002=100.0
IPSG21	Industrial production index, mining, 2002=100.0
IPSG311	Industrial production index, food, 2002=100.0
IPSG321	Industrial production index, wood products, 2002=100.0
IPSG322	Industrial production index, paper, 2002=100.0
IPSG323	Industrial production index, printing, 2002=100.0
IPSG3253	Industrial production index, agricultural chemicals, 2002=100.0
IPSG332	Industrial production index, fabricated metal products, 2002=100.0
IPSG333	Industrial production index, machinery, 2002=100.0
IPSG3341	Industrial production index, computer and peripheral equipment, 2002=100.0
IPSG51111	Industrial production index, newspaper publishing, 2002=100.0
JEXCHOITPREAL	Real US trade-weighted exchange rate with other important trading partners
JPC	Implicit price deflator, personal consumption, 2000=100.0, chain weighted
JULCNF	Index of unit labor costs, nonfarm business sector, 1992=1.0
N	Population, U.S.
NP16	Population, U.S., aged 16 and older
RADR	Real research and development spending, 2000 dollars, chain weighted
RMMTGEXIST	Effective conventional mortgage rate, existing homes, combined lenders
SP500	Standard & Poor's 500 index of common stocks
TRF\$	Government payments to U.S. farms
TXSIEC	Personal contributions for social insurance, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0

WPI10	Producer price index, metals and metal products, 1982=1.0
YP	Personal income
YPAINT	Personal interest income
YPCOMPSUPPAI	Other labor income, U.S.
YPCOMPWSD	Wage and salary disbursements
YPPROPADJNF	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YPRENTADJ	Rental income of persons with capital consumption adjustment
YPTRFGF	Federal transfer payments to individuals
YPTRFGSL	State and local transfer payments to individuals
ZADIV	Dividends